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1911.

LONDON :

THE LIBERAL PUBLICATION DEPARTMENT

*(In connection with the National Liberal Federation
and the Liberal Central Association),*

42, PARLIAMENT STREET, S.W.

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NATIONAL LIBERAL FEDERATION.

PROCEEDINGS

IN CONNECTION WITH THE

THIRTY-SECOND ANNUAL MEETING

OF THE NATIONAL LIBERAL FEDERATION,

HELD AT HULL,

November 25th, 1910,

WITH

The Annual Report and the Speeches,

INCLUDING THOSE DELIVERED BY

THE RIGHT HON.

H. H. ASQUITH, M.P.

(Prime Minister),

AND THE RIGHT HON.

ALEXANDER URE, M.P.

(Lord Advocate for Scotland).

1910.

THE LIBERAL PUBLICATION DEPARTMENT,
42, PARLIAMENT STREET,
LONDON, S.W.

NATIONAL LIBERAL FEDERATION.

PRESIDENT :

SIR WILLIAM ANGUS.

(Vice-President of the Newcastle-upon-Tyne Liberal Association.)

CHAIRMAN OF COMMITTEE :

SIR EDWARD EVANS.

(President of the Liverpool Liberal Federal Council.)

TREASURER :

FRANK WRIGHT.

(Vice-President of the Birmingham Liberal Association.)

EXECUTIVE COMMITTEE, 1910 :

(Elected at the Annual Meeting of the General Committee at Nottingham, March 17th, 1910.)

ASKE, R. W., LL.D. (President of the West Hull Liberal Association, and Chairman of the Hull and District Liberal Federation).

BALLARD, FREDERICK (Chairman of the Ross Division [Herefordshire] Lib. Assn.).

BIRD, CHARLES H. (Vice-President of the Cardiff Liberal Association).

BRAIN, SYDNEY (President of the Reading Liberal Association).

BRAMPTON, ARTHUR (President of the Birmingham Liberal Association).

BUNTING, Sir PERCY W. (Vice-President of the South St. Pancras Liberal Assn.).

BURDITT, GEORGE F. (Treasurer of the Manchester Liberal Federation).

BURGESS, A. H. (Hon. Sec. of the Harborough Division [Leicestershire] Lib. Assn.).

FARR, W. E. (Hon. Secretary of the Leeds Liberal Federation).

GILBERT, J. D. (London Liberal Federation).

HILL, JAMES (Treasurer of the Yorkshire Liberal Federation).

JOHN, BENJAMIN (Hon. Secretary of the Bath Liberal Association).

JOHNSON, Sir B. S. (Chairman of the Bootle Division [Lancs.] Liberal Association).

MASSIE, JOHN (Vice-President of the Oxford Liberal Association).

MORRELL, J. B. (President of the York Liberal Association).

NOBLE, W. J. (Vice-President of the Newcastle-upon-Tyne Liberal Association).

REA, Rt. Hon. RUSSELL, M.P. (Chairman of the Liberal Publication Department).

SANDS, RICHARD (Hon. Secretary of the Nottingham Liberal Association).

WILSON, Dr. ARTHUR C. J. (President of the Holmfirth Division [Yorkshire] Lib. Assn.).

WITTH, A. E. (President of the North Wilts Liberal Association).

SECRETARY :

SIR ROBERT HUDSON.

ASSISTANT SECRETARY :

FRANK BARTER.

OFFICES :

42, PARLIAMENT STREET, LONDON, S.W

(Telegrams : "Liberalize," London. Telephone : 2131 Victoria.)

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PROCEEDINGS
AT THE
ANNUAL MEETING OF THE COUNCIL
OF THE
NATIONAL LIBERAL FEDERATION
HELD AT THE
ASSEMBLY ROOMS, HULL,
FRIDAY, NOVEMBER 25th, 1910.

FIRST SESSION.

FRIDAY, NOVEMBER 25TH. 11.30 A.M.

ELECTION OF PRESIDENT AND TREASURER.

Moved by SIR EDWARD EVANS (President of the Liverpool Liberal Federal Council); seconded by the HON. GUY WILSON, M.P. (Hull, West); and resolved:—

“That Sir William Angus be re-elected President, and that Mr. Frank Wright be re-elected Treasurer, for the ensuing year.”

REPORT AND STATEMENT OF ACCOUNTS.

Moved by MR. T. R. FERENS, M.P. (Hull, East); seconded by MR. HAROLD BAKER, M.P. (Lancashire—Accrington); and resolved:—

“That the Annual Report and Statement of Accounts be received and adopted.”

VOTE OF THANKS TO LOCAL HOSTS.

Moved by MR. FRANK WRIGHT (Treasurer of the National Liberal Federation); seconded by SIR PERCY W. BUNTING; and resolved:—

“That the best thanks of this Council be tendered to the Right Worshipful the Mayor of Hull (Councillor T. S. Taylor), to the officers and members of the Hull and district Liberal Federation, to the Dowager Lady Nunburnholme, and the Hon. Guy Wilson, M.P.; to Mr. Thomas R. Ferens, M.P., and Mrs. Ferens, to Mr. G. J. Bentham, M.P., and to all others who, by the excellence of their local arrangements and by their cordial welcome and generous hospitality, have contributed so much to the pleasure of the delegates on the occasion of their visit to Hull.”

SECOND SESSION.

FRIDAY, NOVEMBER 25TH. 2 P.M.

HOUSE OF LORDS.

Moved by MR. ELLIS J. GRIFFITH, M.P. (Anglesey); seconded by MR. J. M. ROBERTSON, M.P. (Northumberland—Tyneside); supported by the RT. HON. ALEXANDER URE, M.P., (Lord Advocate for Scotland), the RT. HON. RUSSELL REA, M.P. (South Shields), MR. G. J. BENTHAM, M.P. (Lincolnshire—Gainsborough), and MR. C. N. NICHOLSON, M.P. (Yorkshire—Doncaster); and resolved:—

“That this Council expresses its keenest delight that the issue is at last to be decided whether the House of Lords or the House of Commons shall be the final authority to determine the course of our Government and the shaping of our laws. The Council, for itself and for the Liberal Associations of England and Wales, which it represents, declares its whole-hearted confidence in Mr. Asquith, and promises to him and to his Ministry the unswerving and enthusiastic support of the party in any and every step they may find it necessary to take to carry this struggle to a swift and triumphant end.”

PUBLIC MEETING

IN THE
CITY HALL,

On FRIDAY, NOVEMBER 25th, 1910.

Dr. R. W. ASKE (Chairman of the Hull and District Liberal Federation) in the Chair.

CHAIRMAN'S ADDRESS.

ADDRESS BY THE PRIME MINISTER

The Right Hon. H. H. ASQUITH, K.C., M.P.

**THANKS TO THE PRIME MINISTER, AND CONFIDENCE
IN THE GOVERNMENT.**

Moved by SIR EDWARD EVANS (Chairman of Committee, National Liberal Federation); seconded by MR. T. R. FERENS, M.P. (Hull, East); supported by the HON. GUY WILSON, M.P. (Hull, West); and resolved:—

“That this meeting accords its warmest thanks to Mr. Asquith for his presence and speech to-night, assures him and his colleagues in the Ministry of the whole-hearted confidence of the Liberal Party, and pledges itself, and the Liberals of the English and Welsh constituencies represented here to-night, to follow and support him in any and every step necessary to secure that representative Government in this country shall be a reality and not a sham.”

THANKS TO THE CHAIRMAN.

Moved by the LORD ADVOCATE; seconded by SIR J. COMPTON-RICKETT (Yorkshire—Osgoldcross); supported by MR. ELLIS J. GRIFFITH, M.P. (Anglesey); and resolved:—

“That the heartiest thanks of the meeting be given to Dr. R. W. Aske for his conduct in the Chair.”

NATIONAL LIBERAL FEDERATION.

REPORT OF THE EXECUTIVE COMMITTEE.

INTRODUCTORY.

The Annual Meeting of the National Liberal Federation for 1910 takes place at an unusually late period of the year. This is due to circumstances of which the Report treats in their proper place—circumstances which made it inexpedient, if not impossible, to hold the meeting in the early summer.

Since the last Report was presented, now nearly eighteen months ago, events of the very greatest importance have taken place in our political history.

The Budget of 1909 was carried after a prolonged struggle in the House of Commons, only to be rejected by the House of Lords. The Unionists made certain of winning the General Election which had in consequence to take place, but they were bitterly disappointed at the result. They emerged with a large majority against them in the House of Commons. The Budget, having been passed a second time by a new House of Commons, became law, and Mr. Lloyd George had the satisfaction of seeing his handiwork approved by the country and saved from the clutches of its enemies.

The determination of the Constitutional issue has been postponed by the lamented death of King Edward, but it is only postponed. It remains to be seen whether a great fight on this question can be avoided as the result of the deliberations of the Conference.

Free Trade continues to be justified by the experience both of this country, which enjoys its benefits, and of those countries where Protective tariffs increase the cost of living and enrich the few at the expense of the many.

There is always a tendency to think that the work which lies immediately before a political organisation is of critical moment. But there can be no doubt that the coming year will bring work and responsibility of an unusually important and exacting nature to the Liberal Party, both to its organisation and to its individual members.

THE DEATH OF KING EDWARD.

Before dealing with party politics and the work of the National Liberal Federation it is proper that the Committee should refer to the great national event outside the area of Party controversy which has taken place since our last Annual Meeting.

The unlooked for death of King Edward on May 6th deprived the country and the Empire of a ruler who, in a reign of nine years, had made himself one of the most popular monarchs that have ever sat on the British throne. No better epitaph could be imagined than the title by which he will certainly be known—"Edward the Peacemaker." A constitutional monarch, treading in the footsteps of his revered Mother, he contrived to create an international atmosphere of good feeling in which the statesmen of the world found it easier to work for peace and good-will between nations. Nor will the nation ever forget how quick the late King and Queen Alexandra, both before and after Queen Victoria's death, always were to show their sympathies with all classes of the community. Of no Sovereign can be it more truly said that he reigned, not by mere right of hereditary succession, but with the loyal and affectionate consent of those whom he governed.

The Executive Committee of the Federation, at a special meeting on May 11th, passed the following resolution:—

"That this Executive Committee of the National Liberal Federation desires, on behalf of the affiliated Liberal Associations of England and Wales, to express its profound sense of the loss the Nation has sustained in the death of His Majesty King Edward.

"As Prince of Wales for an unusually long term of years, he endeared himself to all classes of the community before he ascended the Throne, and as Sovereign he confirmed and extended his hold upon the affections of his subjects by his loyal adherence to the Constitution, by his unceasing efforts in the cause of peace and good feeling between the nations of the world, by his kindly and sympathetic personality, by the breadth of his interests and activities, and by his care and concern for the welfare of the people over whom he ruled in our widely-extended Empire.

"The Committee offers its respectful sympathy to the widowed Queen Alexandra and the members of her family in their great sorrow, and assures His Majesty King George and his Royal Consort of the loyalty and deep regard in which they are held by all those upon whose behalf this Committee is permitted to speak."

This resolution was forwarded to the Home Secretary for transmission to the King and to Queen Alexandra, and in reply the following letter was received by the Secretary of the Federation:—

“ Home Office,
“ Whitehall,
“ 13th June, 1910.

“ SIR,—I am commanded by the King to convey to you hereby His Majesty's Thanks for the Loyal and Dutiful Resolution of the Executive Committee of the National Liberal Federation on the occasion of the lamented death of His late Majesty King Edward the Seventh.

“ I am to say that the expression of sympathy with Queen Alexandra has been laid before Her Majesty, who desires me to communicate to you Her Thanks.—

“ I am, Sir, your obedient servant,

“ WINSTON S. CHURCHILL.

The Committee feel that in desiring for their Majesties the King and Queen Mary a long, happy, and prosperous reign, they can express no better wish than that they may follow in the steps of those who have preceded them. They can confidently count upon the loyalty and respect which in our constitutional system is always accorded to the Royal Family.

THIRTY-FIRST ANNUAL MEETING.

The Thirty-First Annual Meeting of the Federation was held at Southport on July 1st and 2nd, 1909.

FIRST SESSION OF THE COUNCIL.

THURSDAY, JULY 1st, 1909.

The First Session of the Council was held in the Cambridge Hall on the afternoon of Thursday, July 1st, the President (Sir William Angus) in the chair.

The Mayor of Southport (Councillor J. W. Paton) officially welcomed the delegates.

It was moved by Sir George Pilkington (President of the Southport Division Liberal Association), seconded by Mr. Allan Bright (Chairman, Liverpool Liberal Federal Council), and carried unanimously:—

“ That Sir William Angus be re-elected President, and that Mr. Frank Wright be elected Treasurer for the ensuing year.”

It was moved by Sir William Angus (President), seconded by Mr. R. D. Holt, M.P. (Northumberland—Hexham Division) and carried unanimously :—

“That the Report and Statement of Accounts be received and adopted.”

It was moved by Sir William Holland, Bt., M.P. (Yorkshire—Rotherham Division), seconded by Mr. George Nicholls, M.P. (Northants—North Division) and carried unanimously :—

“That this Council expresses its hearty and unabated confidence in the Prime Minister and his colleagues, and assures them of the loyal and unswerving support of the party in the constituencies. The Council rejoices at the successful establishment of a system of old age pensions, and looks forward to the removal at an early date of the present disqualification attaching to the receipt of poor law relief. This Council heartily approves of the legislation introduced in the present session, in particular of the Welsh Disestablishment Bill ; of the Bill against sweating ; and of the step which is taken towards systematic treatment of the problem of unemployment in the measure for the establishment of Labour Exchanges.”

It was proposed by Mr. C. F. G. Masterman, M.P. (Parliamentary Secretary to the Local Government Board), seconded by Mr. Horace R. Mansfield, M.P. (Lincolnshire—Spalding Division) and carried unanimously :—

“That this Council warmly approves of the Budget as proposing a fair and equitable method of making all classes of the community contribute their share of the large sum which the growing expenses of the State make it necessary to raise in extra taxation.

“The Council welcomes the Budget as framed on the principles (1) that those ought to pay most who can best afford to pay ; (2) that no further taxes ought to be levied on the necessities of life ; and (3) that Free Trade ought to remain the basis of our national taxation.

“The Council cordially approves of the proposals that the community should get a larger and fairer share of the monopoly value of liquor licences, and rejoices in the recognition and adoption of the principle of the taxation of land values and of the re-valuation of the land of the country.

“The Council re-affirms its unflinching adherence to the policy of Free Trade as essential to the prosperity and well-being of the country, as well as to the maintenance of our high standard of purity in public life, and sees in the Budget a convincing proof that in this and succeeding years the revenue necessary for national purposes can be obtained without any departure from the principles of Free Trade.”

SECOND SESSION OF THE COUNCIL.

FRIDAY, JULY 2ND.

The Second Session of the Council was held in the Cambridge Hall, on the morning of Friday, July 2nd, Sir William Angus (President of the Federation) in the chair.

At the commencement of the proceedings Judge Macpherson (Chairman of the Eastern Organising Committee of the Scottish Liberal Association) conveyed the greetings of Scottish Liberals to the delegates of the National Liberal Federation.

It was moved by Mr. Donald Maclean, M.P. (Bath), seconded by Mr. Henry Vivian, M.P. (Birkenhead) and carried unanimously :—

“That, whilst resolved to support all measures necessary to maintain our national security, this Council strongly condemns the attempts made in certain quarters to create panic and foment international discord, and views with the greatest anxiety the enormous and ever-increasing expenditure on armaments, which involves a heavy drain upon the national resources, and constitutes a serious check upon the full and effective development of a policy of reform. This Council is wholeheartedly in favour of all endeavours for the promotion of international goodwill, and of the establishment of such relations and covenants between nations as shall secure peace and lessen the strain and waste of competitive armaments.”

It was moved by Mr. William Jones, M.P. (Carnarvonshire—Northern Division), seconded by Mr. B. S. Johnson (Chairman of the Lancashire and Cheshire Liberal Federation) and carried unanimously :—

“That this Council welcomes the prospect in the present Parliament of a Reform Bill which shall get rid of admitted defects in the present electoral and registration law, and secure that the House of Commons more certainly represents the opinion of the electors, unobscured by any elector voting more than once.

“This Council again strongly affirms its conviction that the representation of the people in Parliament will not be effective and complete until the directly responsible and elective House of Commons is able to exercise its legislative powers without being subject to the veto at present exercised, in a spirit of partisanship and self-interest, by an hereditary and irresponsible House of Lords.”

It was moved by Sir Edward Evans (Chairman of the National

Liberal Federation), seconded by Mr. George Toulmin, M.P. (Bury) and unanimously resolved:—

“That the best thanks of this Council be tendered to the Worshipful the Mayor of Southport (Councillor J. W. Paton) and Mrs. Paton; to Sir George Pilkington (President of the Southport Division Liberal Association) and his colleagues; to the officers and members of the Reception Committee; to the Committees of the Southport and Birkdale Liberal Clubs; to Mr. Keith Durham (Secretary to the Southport Division Liberal Association); and to all others who, by the excellence of their local arrangements and by their cordial welcome and generous hospitality, have contributed so much to the pleasure of the delegates, and to the great success of the visit of the National Liberal Federation to Southport.”

On the same evening a great public meeting was held in the Empire Hall. The building was crowded with an audience of over 4,000 persons, including the majority of the delegates who attended the two Sessions of the Federation Council, and the proceedings were throughout enthusiastic.

Sir George A. Pilkington, J.P., D.L. (President of the Southport Division Liberal Association), occupied the chair.

The Prime Minister (Mr. Asquith), who was most enthusiastically received, addressed the meeting. The following resolution, which was proposed by Sir William Angus (President of the National Liberal Federation), seconded by Mr. J. M. Astbury, M.P. (Lancashire—Southport Division), and supported by Mr. J. S. Higham, M.P. (Yorkshire—Sowerby Division), was unanimously passed:—

“That this meeting accords its warmest thanks to the Prime Minister for his presence and speech to-night; assures him and his colleagues in the Ministry of the loyal confidence of the Liberal party; cordially endorses the resolutions adopted by the Council of the National Liberal Federation at its meetings in Southport; and pledges itself strenuously to support the Government in its great effort to translate the principles of Liberalism into practical and effective legislation for the people.”

A hearty vote of thanks to the Chairman, moved by Mr. Asquith and seconded by Baron de Forrest, brought the meeting to a close.

A crowded and enthusiastic meeting was also held in the Opera House, presided over by Mr. W. J. Boothroyd, J.P. (Acting Chairman of the Southport Division Liberal Association). Mr. Asquith

made a short speech, and the other speakers included Lord Brassey, Sir W. H. Holland, Bt., M.P. (Yorks—Rotherham Division), Mr. N. W. Helme, M.P. (Lancashire—Lancaster Division), and Mr. William Jones, M.P. (Carnarvon—Northern Division).

In connection with the visit of the Federation to Southport a reception was given in the Municipal Buildings by the President, Officers, and Members of the Southport Division Liberal Association to the Members of Parliament, delegates, and other representative Liberals, upwards of 2,000 invitations being accepted.

THE GENERAL COMMITTEE.

The Annual Business Meeting of the General Committee of the Federation was held at Nottingham on March 17th, 1910, when there was a large attendance, the majority of the Affiliated Associations being represented. At the opening of the proceedings the chair was taken by Sir William Angus, the President of the Federation.

Sir Edward Evans was unanimously elected Chairman of Committee for the fifteenth time, and thereupon took the chair, which was vacated by Sir William Angus.

The delegates proceeded to elect by ballot the Executive Committee for the ensuing year. For the twenty places there were twenty-four candidates, fifteen being members of the old Committee who offered themselves for re-election, three nominated by the Executive, and six by Affiliated Associations. The following twenty gentlemen were declared elected:—

	Votes.
Rt. Hon. RUSSELL REA (Chairman Liberal Publication Department)	271
Dr. R. W. ASKE (President West Hull Liberal Association, and Chairman Hull and District Liberal Federation) ...	254
Mr. JOHN MASSIE (Vice-President Oxford Liberal Association)	250
Mr. ARTHUR BRAMPTON (President Birmingham Liberal Association)	232
Mr. A. H. BURGESS (Hon. Secretary Harborough Division [Leicestershire] Liberal Association)	225
Mr. CHARLES H. BIRD (Vice-President Cardiff Liberal Association)	218

	Votes.
Mr. A. E. WITHEY (President North Wilts Liberal Association)	216
Sir BENJAMIN JOHNSON (Chairman Lancashire and Cheshire Liberal Federation)	208
Mr. FREDERICK BALLARD (Chairman Ross Division [Herefordshire] Liberal Association)	207
Sir PERCY W. BUNTING (Vice-President South St. Pancras Liberal Association)	205
Dr. ARTHUR C. J. WILSON (President Holmfirth Division [Yorkshire] Liberal Association)	205
Mr. GEORGE F. BURDITT (Treasurer Manchester Liberal Federation)	201
Mr. JAMES HILL (President, Bradford Liberal Association) ...	192
Mr. RICHARD SANDS (Hon. Secretary, Nottingham Liberal Association)	191
Mr. J. B. MORRELL (President, York Liberal Association) ...	188
Mr. SYDNEY BRAIN (President, Reading Liberal Association)	185
Mr. W. E. FARR (Hon. Secretary, Leeds Liberal Federation)	175
Mr. BENJAMIN JOHN (Hon. Secretary, Bath Liberal Association)	172
Mr. W. J. NOBLE (Vice-President, Newcastle-on-Tyne Liberal Association)	158
Mr. J. D. GILBERT (London Liberal Federation)	150

Not Elected (in Alphabetical Order).

- Mr. FREDERICK G. ISHERWOOD (Chairman, Oldham Liberal Registration Association).
- Mr. EDWARD MORGAN (Treasurer, Portsmouth Liberal Association).
- Mr. CHARLES E. PARKER (President, Warrington Liberal Association).
- Mr. C. VERNON PUGH (President, Coventry Liberal Association).

The following resolution, submitted by the Executive Committee, was moved by Sir William Angus (President of the National Liberal Federation), seconded by Mr. Donald Maclean (Vice-President of the Bath Liberal Association), and carried unanimously:—

“That this General Committee of the National Liberal Federation, representing the Liberal Associations of England and Wales, expresses its satisfaction that as a result of the appeal to the country, forced by the unconstitutional action of the House of Lords in rejecting the

Budget, the electors have declared for the House of Commons and against the House of Lords, and have rejected Tariff Reform by continuing in power a Liberal Government pledged to Free Trade.

"This Committee warmly endorses the decision of the Government to bring the House of Lords question to an immediate issue, and to embark upon no programme of controversial legislation until the undisputed control of national finance is restored to the House of Commons, and until in the sphere of legislation the power of veto at present possessed by the House of Lords is so limited in its exercise as to secure the predominance of the deliberate and considered will of the House of Commons within the lifetime of a single Parliament.

"This Committee assures the Prime Minister and his colleagues that they will receive the united and strenuous support of the Liberal party in the constituencies in all the stages necessary to secure the final removal of the barriers which, so long as a partisan and hereditary House of Lords is left in possession of its present powers, stand in the way of reform and obstruct the free exercise of popular and representative government."

The following resolution, also submitted by the Executive Committee, was moved by the Rt. Hon. Russell Rea (Chairman of the Liberal Publication Department), seconded by Mr. Edward Shortt, M.P. (Newcastle-upon-Tyne), and carried unanimously:—

"That this General Committee records its undiminished approval of the democratic principles of taxation embodied in last year's Free Trade Budget, and denounces the revolutionary action of the House of Lords in refusing the necessary supplies for the service of the country."

At the conclusion of the meeting the delegates were entertained at tea, on the invitation of Sir Jesse Boot, Vice-President of the Nottingham Liberal Association.

ORGANISATION AND PROPAGANDA.

The special circumstances of the year have not been conducive to active work by political organisations. There is always a natural tendency to lethargy in the early months following a General Election. But to this have been added the exceptional conditions brought about by the death of King Edward. Following on that unhappy event, the Conference upon the Constitutional issue came into being, and is still in session while this Report is being written. These events have, perforce, militated against active political propaganda and, consequently, in this section of the Report there is little to be chronicled in detail, though the work of the year has been, perhaps, not less, but more difficult than usual.

Since the last Annual Meeting Mr. Joseph A. Pease has relinquished the office of Chief Liberal Whip on his appointment as Chancellor of the Duchy of Lancaster. The Committee congratulate Mr. Pease on his elevation to Cabinet rank and, at the same time, they offer the heartiest of welcomes to his successor, the Master of Elibank, on his accession to the post of Chief Whip. It is a source of continued satisfaction to the Committee that, in all the work pertaining to Liberal organisation, the cordial relations which have existed for so many years between the National Liberal Federation and the Whips' Office are maintained unimpaired, and that co-operation in common work is made so easy and so agreeable. In the past summer there has been a certain re-arrangement of office accommodation affecting the headquarters organisations. The Liberal Central Association and the Whips' Department are now housed at 21, Abingdon Street, in more convenient and commodious rooms than were available for them at 42, Parliament Street, while the rooms thus vacated have been added to the accommodation at the disposal of the National Liberal Federation and the Liberal Publication Department. These changes, it is believed, will conduce to greater comfort for the officers and staff, and to greater efficiency in the work of all the bodies concerned.

The Committee are glad to report that the District Federations established in 1909 play an increasingly useful part in Liberal organisation. The measure of de-centralisation which they provide has proved of real value, and the National Liberal Federation will continue to do all that it can to assist and strengthen these District Federations. The opportunity is being taken, which the meetings at Hull afford, of holding a Conference such as was held last year at Southport of the Executive Committees of the District Federations, for the purpose of considering privately how the National and the District Federations can best co-operate in the work of organising the country. The Chief Whip will attend the gathering, and will certainly receive a most cordial welcome on his first visit to our meetings since his appointment to an office of such high responsibility in the party.

The Committee have resolved to hold another private conference in London, during December, of the Liberal Agents of Eng-

land and Wales, for the special consideration of matters affecting the work and duties of agents. Experience has shown that these gatherings, which the Federation from time to time convenes, are most useful, and that there is marked advantage in the interchange of views which such private conferences permit as to the best methods of party work and propaganda.

THE LIBERAL PUBLICATION DEPARTMENT.

The greatest possible service was once again rendered to the party at the General Election by the Liberal Publication Department. Beforehand it was hardly expected that the figures of 1906 could or would be exceeded, but as a fact the number of separate publications put into circulation during the General Election period was more than half as great again in 1910 as in 1906. As the Department does not distribute literature broadcast, but sells it to the various localities, this increased volume of business is the best possible proof that the publications are deemed attractive and useful by those best in a position to judge. It should be added that the high reputation of the Department for accuracy and fairness was admirably maintained.

Over forty-one millions of separate publications were sent out from 42, Parliament Street in two months. Whilst it is not possible to note in full detail all the various publications, a rapid glance over the ground covered may be interesting. The legislative and administrative achievements of the Government were dealt with in *The Government's Record, 1906-9*. Of the numerous *Pamphlets* mention may be made of *The Unjust Veto*, by Sir Robert Edgcumbe. A hundred and four different kinds of *Leaflets* were issued, as well as four *Booklets*, of all of which an enormous quantity were sold. Five sets of *Campaign Notes* were sent free of charge to Liberal candidates. *Draft Letterpress Posters* were sent to all the constituencies for adaptation and local printing. Of *Coloured Pictures and Letterpress Posters* two-thirds of a million were issued. Nearly a million *Liberal Song Sheets* were sold. Nine hundred thousand copies were sold of the two election numbers of the *Liberal Monthly*.

Coming to what may be described as the normal work of the Department, the number of guinea subscribers continues steadily to grow. In 1903, when this form of subscription was begun, the number of subscribers was 756; in 1909 the number was 1,612, whilst for 1910 it will almost reach 1,700. The guinea subscription, it may once again be pointed out, gives the subscriber all the current publications of the Department, as issued, and three special bound volumes—*The Liberal Year Book*, *The Liberal Magazine*, and *Pamphlets and Leaflets*.

The *Liberal Magazine* has now a steady circulation of between four and five thousand copies a month. The figure for 1909 was 4,169, and this year's circulation will come to several hundred more. The issue for May, 1910, was the two hundredth number, and the occasion served to show how much the *Magazine* is appreciated by all Liberals who follow politics closely.

The *Liberal Monthly* has now attained a very large circulation, as will be seen from the following figures of monthly sales:—

1906	41,500
1907	57,000
1908	96,500
1909	202,500
1910 (10 months)	203,500

At the last Annual Meeting of the Federation at Southport, a special conference was held, at which the question was considered of how best the *Liberal Monthly* can be localised. There was a large attendance, and a most interesting and profitable discussion, which led to a good many localities deciding to localise and circulate the *Monthly*.

The issue of *The Liberal Year Book for 1910* was deferred until after the General Election, with the result that it gave all the facts and figures of the General Election, and of the new House of Commons.

The Department is fortunate in having Mr. Russell Rea as its Chairman, and heartily congratulates him on his return to the House of Commons as Member for South Shields. The Committee desires to express to him and to the staff of the Department its keen sense of the services which in times both of political peace and war it renders to Liberalism and the Liberal party.

THE GENERAL ELECTION OF 1910.

The General Election, which took place last January, was a profound disappointment to the Tory party. In order to bring it about, the Constitution had been torn up by peers who were assured by the Tory wirepullers that if and when the country was consulted the Government would certainly be turned out of office. In the result the Unionist party only succeeded in returning 273 members, 62 less than half the House of Commons. The Government majority was, as was almost certain to be the case, reduced, but even so, the Unionists, instead of getting their promised majority, found themselves still in Opposition in a minority of 124.

The story of what happened is summed up in the following table:—

1906, 1909, and 1910.

Constituencies.	No. of Seats.	General Election, 1906.				Dissolution, 1909.				General Election, 1910.			
		L & Lab.	N	C	LU	L & Lab.	N	C	L U	L & Lab.	N	C	LU
ENGLAND													
London ...	61	42	—	19	—	39	—	21	1	28	—	29	4
Boroughs ...	165	121	1	34	9	119	1	36	9	86	1	65	13
Counties ...	234	174	—	51	9	167	—	55	12	111	—	104	19
Universities	5	—	—	2	3	—	—	2	3	—	—	3	2
WALES													
Boroughs ...	11	11	—	—	—	11	—	—	—	10	—	1	—
Counties ...	19	19	—	—	—	19	—	—	—	18	—	1	—
SCOTLAND													
Burghs ...	31	25	—	2	4	26	—	3	2	27	—	2	2
Counties	39	35	—	3	1	35	—	3	1	34	—	5	—
Universities	2	—	—	2	—	—	—	2	—	—	—	1	1
IRELAND													
Boroughs ...	16	—	12	4	—	—	12	4	—	—	12	4	—
Counties ...	85	2	70	11	2	3	70	11	1	1	69	12	3
Universities	2	—	—	2	—	—	—	2	—	—	—	2	—
Totals ...	670	429	83	130	28	419	83	139	29	315	82	229	44
		512		158		502		168		397		273	
Majorities ...		L 354				L 334				L 124			

Of the 315 Liberal and Labour Members, 40 are members of the Labour Party.

The Unionist gain of seats was made up as follows:—

			Gains.	Losses.	Net Gains
England	...	...	117	17	100
Wales	...	...	2	0	2
Scotland	...	...	5	5	0
Ireland	...	...	3	0	3

Net Unionist Gain 105

The most remarkable feature of the election was the differing results in the different parts of the country. This can be most easily seen from the following statement:—

No. of Seats.			1906.		1910.	
			L.	C.	L.	C.
141	North of England*		107	34	101	40
72	Scotland	...	61	11	61	11
213	North of England and Scotland		168	45	162	51
			L. maj. 123.		L. maj. 111.	
354	Rest of England	...	219	105	125	199
			L. maj. 114.		U. maj. 74.	
30	Wales	...	30	0	28	2
			L. maj. 30.		L. maj. 26.	
567	Great Britain	...	417	150	315	252
			L. maj. 267.		L. maj. 63.	

In Scotland the Liberal party did not lose a single seat. In the North of England only 6 seats out of 107 were lost, and of these six three were lost through third candidatures. In Wales only two Liberal seats out of 30 went, in both cases by microscopic majorities. It was in the rest of England that the Liberal losses were heavy, particularly in the Home Counties, the South, and the agricultural districts. London was less Liberal than in 1906, but none the less the result was a severe blow to Unionist hopes, which looked forward to a clean sweep of the Liberal seats. There can be no doubt that in the country districts the feudal influence was worked against Liberalism as perhaps it has never been worked before, with the result that intimidation and undue influence were

* Lancashire, Yorkshire, Durham. Northumberland, Cumberland, and Westmorland.

rife to an unparalleled degree. The fact that no election petitions were presented against Unionist Members is beside the point. Nothing is so difficult as to make out a legal case of intimidation, even when the facts are clear. Of that we have had the clearest possible proof in such cases as that of the Cheshire magistrate who dismissed two agricultural labourers for showing their Liberal colours in a Tory motor-car in which he had ordered them to go to the poll. A prosecution merely resulted in the finding that the magistrate had committed no legal offence.

When we come to consider the result in votes, the failure of the Unionist party is no less remarkable. In the following statistics allowance has been carefully made for the uncontested seats, and the word Liberal is for this purpose used to cover Liberal and Labour. In two-member constituencies the votes cast for all the candidates on either side are added together and divided by two. The results, treated in this way, give the following:—

			Liberal & Labour.	Unionist.		Majority.
England—						
London	...	...	272,786	311,570	C	38,784
Boroughs	...	...	823,148	759,083	L	64,065
Counties	..	...	1,493,955	1,468,229	L	25,726
Total England	...	...	2,589,889	2,538,882	L	51,007
Wales	...	...	206,288	97,126	L	109,162
Scotland	...	...	394,147	265,939	L	128,208
Total Great Britain	...	...	3,190,324	2,901,947	L	288,377
Ireland	...	...	350,000	150,000	N	200,000
Total for United Kingdom			3,540,324	3,051,947	L	488,377

Ireland is almost a constant factor, and taking, therefore, the figures for Great Britain, we have the following comparison for the last four General Elections:—

		VOTE MAJORITIES.			
		1895.	1900.	1906.	1910.
England—					
London	... U	82,945	U 96,731	L 32,576	C 38,784
Boroughs	... U	79,303	U 110,301	L 175,181	L 64,065
Counties	... U	189,355	U 157,541	L 222,654	L 25,726
Total England	... U	351,603	U 364,573	L 430,411	L 51,007
Wales	... L	30,355	L 45,570	L 74,403	L 109,162
Scotland	... L	10,616	U 3,971	L 131,604	L 128,208
Total Great Britain	U	310,632	U 322,974	L 636,418	L 288,377
Majority in Seats	U	213	U 195	L 289	L 63

As is nearly always the case, the majority in seats is in excess of what the majority of votes now works out at proportionately. But it will be noticed that a majority of 290,000 only gives a Liberal majority of 63, whilst Unionist majorities of 310,000 and 320,000 in 1895 and 1900 gave majorities of 213 and 195.

THE GOVERNMENT RECORD.

Space must be found under the above heading for brief references to some matters not dealt with in other parts of this Report. South Africa continues to vindicate the wisdom of the application of Liberal principles. The Union is now an accomplished fact and, as the result of the first General Election, General Botha finds himself confirmed in office as Premier. All the Chinese labourers in the gold mines have gone back to their native country. There are, no doubt, difficulties to be overcome in the future of South Africa and, in particular, the native problem is one that will need all possible wisdom if it is satisfactorily to be solved; but South Africa can now confidently be trusted to work out its destinies as a loyal and contented portion of our Empire, all the more closely linked to the Mother Country by reason of the full and free self-government it enjoys. In Lord Gladstone the new Union has a Governor who will not fail to give it both sympathy and the statesmanship which springs from long training in the art of government.

If the situation in India is still one that causes concern, all the indications go to show that Lord Morley's policy is proving successful in overcoming difficulties which can hardly be exaggerated. The forces of disorder are steadily being overcome, whilst, at the same time, the natives of India are being more closely associated with the Imperial authority in the government of their country. The new Provincial Councils have been at work since the beginning of the year, and the result of permitting elected members to take part in the debates has, thus far, more than come up to the expectations of those responsible for the Indian Councils Act.

The Labour Exchanges Act of 1909 was a very important measure which bids fair to be of great service both to workers and employers. The Board of Trade has lost no time in setting up a large number of Exchanges, and, though it is never very easy to introduce new ideas in this country, the experiment has already

achieved enough to be adjudged a success. Progress is steadily being made despite the suspicion entertained by some of the workers, and a large number of places have already been filled through the Exchange. The scheme is a careful and scientific attempt better to adjust supply and demand in the national labour market, and should help to mitigate some of the preventible evils of unemployment.

The Trade Boards Act of 1909 attacks the evil of sweating, making a start with those industries in which sweating notoriously and extensively prevails. Whilst the evil is one which has long cried for remedy, it is by no means an easy matter to deal with it. The method adopted by the Act is that marked out by experience elsewhere, and there is every reason to hope that the Act in its working will succeed in getting better pay for the sweated workers.

The Development and Road Improvement Funds Act of 1909 is an important part of the Budget of 1909 which as a separate measure was passed into law last year. The Development Fund is to be created by five annual payments of half a million in each of the five financial years 1910-11 to 1914-15. The money is to be spent by the Development Commissioners in the scientific development of agriculture; the encouragement of forestry; the fostering of rural industries; the reclamation and drainage of waste lands; the improvement of rural transport; the construction and improvement of harbours and canals; the improvement and extension of existing roads and the construction of new main roads; and the development and improvement of fisheries. We have here a far-sighted and far-reaching attempt to stimulate, by scientific and co-operative means, the energies and inventive resources of the community, and to enlarge the volume of employment by utilising and developing hitherto unused and undeveloped national resources. The Commissioners have made a start on schemes for agricultural education, research, and investigation and for horse-breeding. The Road Improvement Fund is to consist of the £600,000 a year provided by the tax on motor cars and motor spirit. The Road Board is to spend the money in adapting existing roads or making new roads for motor traffic, and where the employment of labour on any considerable scale is involved regard is to be had so far as is reasonably practicable to the general state and prospects of employment.

In the Housing and Town-Planning Act we have for the first time a measure dealing with town-planning and our first really large and effective housing measure, and great results may be looked for in both the health and the beauty of our cities. The Act simplifies and cheapens the existing procedure for acquiring land for housing purposes, gives local authorities increased powers for dealing with insanitary areas and unhealthy buildings, and provides for the framing and execution of town-planning schemes by local authorities, to which power is given for the purchase (compulsory, if necessary) of land in or near their areas likely to be built on. The passage of the measure was not secured without a stiff fight with the Lords, who, openly putting their interests as landowners before those of the community, drastically amended it. They had, however, to climb down, and the Bill passed, the worse for their efforts, it is true, but not so damaged as it would have been had they had their way.

The legislation consequent on the death of King Edward included not only the customary measure for resettling the Civil List, but also a measure redrafting the Declaration which the Sovereign has to make at the beginning of the reign. This latter Act gave rise to a good deal of controversy, as was only to be expected, but there was an overwhelming body of public opinion in favour of altering the Declaration so as to permit of the Sovereign affirming his Protestantism without offending the susceptibilities of the millions of Roman Catholics who at home and overseas are his subjects. The Prime Minister is warmly to be congratulated on the masterly skill with which he piloted the Bill in the House of Commons, and yet again it has fallen to a Liberal Government to find a satisfactory settlement of a question in which its predecessors had failed.

THE BUDGET OF 1909, AND THE FISCAL QUESTION.*

After acute and prolonged controversy, alike at Westminster and in the constituencies, the Finance Bill of 1909 was sent to the House of Lords on November 4th, after having been read a third time

* References to the Budget of 1909 will also be found in the section on "The House of Lords."

in the House of Commons by a majority of 230 (379 to 149). It was only to be expected that a Budget for at once raising thirteen millions in extra taxation, some of it of a novel and far-reaching kind, would be closely scrutinised and eagerly discussed, but the Unionist party made a bad blunder in the way in which they allowed their case to be presented to the public. It is true that before very long they were begging the Dukes to put away their pocket handkerchiefs, but it was too late. The ducal linen had been used in public, and public opinion was not slow to recognise that a capacity for shouting for unlimited "Dreadnoughts" by no means implied any willingness to pay for them. It soon became clear, however, that the Unionist party was determined to bring about a General Election by getting the Budget rejected in the House of Lords. At the time, this seemed such a revolutionary and unconstitutional proceeding that it was frankly incredible; but, looking backwards, the fate of the Budget was clearly sealed when Mr. Balfour went to Birmingham and spoke at the Bingley Hall. At that historic meeting the Budget was denounced as involving the "indefinite postponement" of the policy of Tariff Reform, whilst Mr. Chamberlain from his universally deplored retirement gave his orders in a letter in which he "hoped the House of Lords would see their way to force an Election."

The "hope" bore fruit in due course, when, on November 30th, the Peers rejected the Finance Bill by a majority of 275 (350 to 75), refusing to read it a second time on the ground that they were "not justified" in assenting to it "until it had been submitted to the judgment of the country." The debate was made memorable by the warnings to the House of Lords uttered by peers, not members of the Liberal party or not favourable to the Budget—Lord Rosebery, Lord James of Hereford, Lord Balfour of Burleigh, Lord Cromer, and the Archbishop of York; whilst equally significant was the total abstinence from both debate and division of Lord St. Aldwyn, the only Unionist Peer who has ever been Chancellor of the Exchequer. But warnings and arguments had little effect on the big battalions over whom Lord Lansdowne wields authority. They were determined to tear up the Constitution in the sure and confident belief that their action would be condoned at a General Election. Their motives were obviously these—(1) they objected,

as landowners, to the new taxes on land values; (2) they objected to the taxes on liquor, as members of a party which is closely identified with "the Trade"; and (3) they also acted under the pressure of the extreme Tariff Reformers who hated the Budget because it promised to provide ample funds for national purposes on a Free Trade basis. Animated by these motives, and assured by their wirepullers that the country was on their side, the Peers threw the Budget out and so precipitated the General Election of last January.

This action of the House of Lords could only get itself justified in one of two ways—either by (*a*) the overthrow of the Liberal Government, which would have meant a different Budget introduced by a Unionist Government, or (*b*) the failure of the Liberal Government to carry the Budget in the new House of Commons. Neither of these alternatives has, as a matter of fact, come about. The Unionists did not win the General Election; the Budget was in due course passed by the new House of Commons in a form practically identical with that in which it first left the old House of Commons. In these circumstances, the Peers had no option but to swallow at the second time of asking what they had refused at the first, and on April 29th last the Finance Bill of 1909 was triumphantly placed on the Statute Book.

This delay seriously disorganised the collection of revenue in 1909-10, but there are already indications that the yield of the new taxes will more than justify the estimates made by Mr. Lloyd George. He stated quite frankly that, knowing the State would require more and more money, he had deliberately tried to impose taxes which would be increasingly productive. There is every indication that he has succeeded. As to the taxes on land values, here, from the nature of the case, the immediate yield cannot be very large, for time is required in which the State can complete the task of valuation. The first step in that task has led to an agitation conducted and engineered by the Land Union, a body presided over by Mr. Pretymann. This ex-Minister of the Crown, himself a large and not exactly penniless landowner, has thought fit to tell us that his organisation is "expressly formed" to "resist" the "land taxes." Here we have the reason for the outcry about the famous Form IV. No one denies that with our complicated

land system there may be, and are, cases when the filling up of that form requires a little thought and trouble, but the agitation against it is only an organised effort to discredit the taxes themselves, and not a genuine complaint against the method employed for bringing them into operation. In order to discover who is and is not liable to the taxes on land values, the State is bound to get all land valued, and that is a process which cannot fail to be of the greatest possible service to the community. No landowner can complain that the State should need accurate particulars of the value of a form of property which is unlike all other forms of property. With the value of the land fairly ascertained, we shall not only get a substantial growing revenue out of the new taxes, but more money out of such existing taxes as the Death Duties, and land at a fair price when it is wanted by the State or the locality for public purposes of any kind.

The result of the General Election is not by any means the only severe blow which Tariff Reform has suffered during the last year. Those who would persuade us into a Protective tariff have been hardly hit both by the world movement against tariffs, and by the trade revival in this country. In Western Canada the farmers have taken the opportunity of Sir Wilfrid Laurier's tour to make it clear why they dislike Protection in Canada and do not ask for Preference from the Mother Country. The Canadian Premier himself has referred to our Free Trade policy as a "shining example" to the world, and has in the strongest terms repudiated and denounced the notion that Canadian loyalty is in any sort of way dependent upon a policy of British Preference. Sir Wilfrid Laurier is, in consequence, sadly out of favour with our Tariff Reformers, but, after all, he has no inconsiderable claim to be recognised as an authoritative Canadian spokesman. In the United States the so-called "scientific" tariff has been a leading contributory cause of the grave internal difficulties in the Republican party. The American people have got to know by hard experience that their tariff is a "crooked" deal (as even Mr. Roosevelt puts it) in which the vested interests line their pockets with the wealth extracted from the community. In European countries—Germany, Austria-Hungary, France, and Italy—the abnormal increase in the cost of living is bringing home to the people the way in which prices are

raised by tariffs over and above the world market price. It is not in the least necessary to the Free Trade case to prophesy that all or any of these countries are about to abolish their Protective tariffs. However much they may hate them or be oppressed by them, it is the hardest thing in the world to get rid of Protection once it has got its grip on a country. But the universal movement against tariffs is an impressive argument against discarding Free Trade here at a moment when Protection has been found out in those very countries which are always pointed to as affording proof positive of its beneficent results.

In this country the Tariff Reformers are still without the two "bad winters" which Mr. Bonar Law once said would kill Free Trade. There has been a great trade revival, witnessed in the oversea trade returns, the revenue returns, the railway receipts, and the shrinking figures for unemployment and pauperism. This is peculiarly disconcerting both to the Tariff Reformers and to the critics of the Budget. Free Trade finance has not only not failed, but is providing a large additional amount of revenue without injury to trade or commerce.

THE HOUSE OF LORDS,

The rejection of the Budget of 1909 by the House of Lords was the culminating point of its campaign against Liberal legislation. It is quite true that in itself the rejection of the Budget was a violent and revolutionary proceeding, but it is only seen in its proper perspective when it is considered in relation to what preceded it. As soon as the Liberal Government, which got in 1906 an unparalleled backing of popular support in the constituencies, set to work to redeem its pledges and to transform them into Acts of Parliament, the Peers immediately woke up from their ten years' sleep, during which Unionist measures had been allowed to pass as a matter of course. In the first Liberal session of 1906 the Education Bill was wrecked, and the Plural Voting Bill rejected. In 1907 the Scottish Small Landholders Bill was wrecked, and the Scottish Land Value Bill rejected. Next year these same two measures were again not permitted to pass, whilst the Licensing Bill was rejected, after a memorable caucus of Unionist Peers held within

the select portals of Lansdowne House. Finally, in 1909, in addition to rejecting the London Elections Bill and wrecking the Scottish House-letting Bill, the Peers, throwing all restraint to the winds, threw out the Finance Bill. It must not be forgotten, too, that a good many other measures were mutilated before they became law. Nor is the record any the less discreditable because the Peers "allowed" such measures as the Trade Disputes Act and the Old Age Pensions Act to become law. Those were not adjudged to be "favourable ground" on which the Peers could perform the "duty" "owed to themselves," as Lord Lansdowne says. In these cases the Peers had for prudential reasons to content themselves with damning what they were afraid to resist.

The situation created by the action of the House of Lords during the whole period of the four years of Liberal Government, and brought to a point of crisis by the rejection of the Budget, made it imperative that the Liberal Party should bring to an issue a question the decision of which was, and is, vital to the very existence of Liberalism. The Prime Minister, in his speech on the motion in which the House of Commons characterised the rejection of the Budget as "a breach of the Constitution and a usurpation of the rights of the Commons," said:—

"The House of Lords has deliberately chosen its ground. They have elected to set at nought, in regard to finance, the unwritten but time-honoured conventions of our Constitution. In so doing, whether they foresaw it or not, they have opened out a wider and a more far-reaching issue. We have not provoked the challenge. We believe that the first principles of representative government, as embodied in our slow, our ordered, but ever-broadening developments, are at stake, and we ask the House of Commons by this resolution to-day, as at the earliest possible moment we shall ask the constituencies of the country, to declare that the organ and voice of the free people of this country is to be found in the elected representatives of the nation."

This was one of the leading issues on which the General Election was fought and, once it had been fought and won, Liberal Ministers lost no time in making clear that their task in the newly-elected Parliament was to tackle the problem of the House of Lords. The Budget of 1909 had necessarily to be carried, and, in point of fact, was in due course placed on the Statute-book, much to the chagrin of Tories who hoped against hope that the unmistakable verdict of Great Britain in its favour would be effaced by the

action of Irish Nationalists. But, apart from the Budget, a work of necessity, the Prime Minister made it clear that the Government would embark on no controversial legislation until the constitutional question had been settled in such a way as to make it worth while to pass Liberal legislation through the House of Commons. The Government plan for dealing with the House of Lords was put forward in three resolutions, which were all carried by large majorities and embodied in a measure known as the Parliament Bill. The effect of these resolutions can be briefly and popularly expressed as follows:—

(1) The House of Lords to have no word at all in the control of national finance.

(2) The House of Commons to have the last word in all matters of legislation.

(3) The maximum duration of Parliament to be five instead of seven years.

Lord Rosebery sought to create a diversion by bringing forward a series of resolutions in the House of Lords in favour of reform of that body. These affirmed (1) that a second Chamber is necessary, (2) that such a Chamber can best be obtained by the reform and reconstitution of the House of Lords, and (3) that to bring this about the possession of a Peerage must no longer of itself give the right to vote and sit in the House of Lords. The resolutions were carried, but the chief effect of the debates was to show the reality of the Liberal case, without telling us what the Reformed House of Lords was going to be. There was not the smallest sign that the new Chamber would be of such a composition as to make its action in any way different from the whole body of Peers. It is conceivable, though not at all likely, that that would have been elucidated if and when Lord Rosebery's second series of resolutions came to be debated.

The Government's intention was to ask the House of Lords to pass the three resolutions agreed to by the House of Commons. The Prime Minister, on April 14th, 1910, made this very important declaration:—

“It is for these reasons and on behalf of the Government that I think it not only convenient but necessary to give notice to the House and to the country, now that these resolutions are passing into the control of

other people, of our future intentions. If the Lords fail to accept our policy, or decline to consider it when it is formally presented to the House, we shall feel it our duty immediately to tender advice to the Crown as to the steps which will have to be taken if that policy is to receive statutory effect in this Parliament. What the precise terms of that advice will be it will, of course, not be right for me to say now; but if we do not find ourselves in a position to ensure that statutory effect will be given to this policy in this Parliament, we shall then either resign our offices or recommend a dissolution of Parliament. And let me add this: that in no case would we recommend dissolution except under such conditions as will secure that in the new Parliament the judgment of the people as expressed in the election will be carried into law."

This was a declaration which gave the greatest possible satisfaction to all supporters of the Government in that the policy indicated in it was calculated to bring the House of Lords question to a decisive issue.

It was certain that the Peers would reject the Government's resolutions, and everything pointed to a General Election in July, when the political time-table was rudely shattered by the sudden death of King Edward. Any immediate electoral battle was clearly and obviously out of the question, and the Government decided to use the breathing space thus unexpectedly available to invite the Unionist party to confer in order to see if any accommodation on the constitutional question could be discovered. The invitation was accepted, the negotiators selected being Mr. Asquith, Lord Crewe, Mr. Lloyd George, Mr. Birrell, Mr. Balfour, Lord Lansdowne, Mr. Austen Chamberlain, and Lord Cawdor. At the time of writing, the Conference has not finished its deliberations, and nothing is to be gained by guessing at whether it is likely to succeed or fail. It is admittedly difficult to see where the basis of agreement can be found, but Liberals are certain that their representatives can be implicitly trusted to do nothing which will in any way prejudice or weaken the Liberal demand.

THE SITUATION AND OUTLOOK.

The Budget of 1910 is remarkable for the fact that it provides for an extra expenditure of ten millions without imposing new taxation of any sort or kind. That no new taxation is necessary

is due to two causes—(1) the increased yield of all taxes due to the greatly improved trade conditions, and (2) the increased yield of the new or increased taxation of last year's Budget, which it was always known would not yield its full amount in the first year. Some of the taxes, indeed most of the land value taxes, will take several years before their full normal yield is definitely ascertainable. But whilst this extra yield of existing taxation is encouraging and destructive of the pretence that Free Trade finance has broken down, it is none the less to be regretted that not a penny of the money should be available for the reduction of taxation. The bulk of the money, as much as $5\frac{1}{2}$ millions, is taken for the Navy. There can be no division of opinion as to the supreme necessity for the maintenance of a powerful Navy, but it is a matter for profound regret that the scaremongers, amongst whom Mr. Balfour must be included, should still be busy in our midst and that nations should go on wasting, in huge competitive armaments, the treasure and energy which might be used to ameliorate the social and economic condition of their peoples. It is to be hoped that steady progress will continue to be made in the creation of an atmosphere of international goodwill by the linking up of the various countries by agreements and arbitration treaties. The expenditure on Old Age Pensions is increased by reason of the fact that the disqualification in respect of the receipt of poor relief expires on the last day of this year. This will remove a good deal of hardship and enable the poor old folk to reap the fullest advantage of one of the most beneficent reforms in our history.

The situation created by the Osborne judgment is one which cannot be left as it is, if the door of the House of Commons is still to be kept wide open for Labour representation. The decision of the Law Lords, as it stands, would seem to prevent trade unions from taking any sort of political action causing any expenditure out of their funds. The problem is to restore to the trade unions as full a measure of the rights they have hitherto exercised without question as can be exercised without compelling minorities to support political opinions with which they are out of sympathy. This is the problem—difficult, but not insoluble—which the Government has under consideration, and they can be trusted in due course to put forward proposals for its solution which will make it still pos-

sible for Labour Members to come in considerable numbers to the House of Commons, and to retain their place in local administration. In this connection the time is clearly ripe for payment of members and official election expenses, measures that have long been advocated by the National Liberal Federation. With that ought to be coupled proposals for the alternative vote or second ballot, whilst, in addition, all elections ought to be held on one and the same day. Whatever course the House of Lords controversy may take, it ought to be possible to carry all these reforms into law before the country is next appealed to at a General Election.

The Committee, in concluding this Report, desire to make it clear that, whether in the Report or in the resolutions to be submitted at the Council Meeting at Hull, they have of set purpose made no attempt to cover the whole field of political controversy. Their endeavour has been rather to concentrate attention on matters in which Liberals can unitedly focus their ideas and energies in the present exceptional situation. The party happily stands in no need of any "Reveille" movement under the leadership of any Liberal Lord Willoughby de Broke. The rank and file stand ready for action in loyal confidence in the Prime Minister and his colleagues, alike in the Cabinet, Ministry, and House of Commons. Rarely, if ever, was there a time when it was more difficult accurately to forecast the exact course of affairs, but nothing has occurred to weaken the determination of the party to secure, either by peaceful Conference or by the arbitrament of political warfare, that Liberal legislation shall no longer be at the uncontrolled mercy of a partisan House of Lords. The present situation is intolerable and is even admitted to be so by some of the more candid Unionists. The whole future of Liberalism, and indeed of free institutions, is bound up in a readjustment of the Constitution so as to make its working properly responsive to the decision of the people. Nor should it ever be forgotten that with the Liberal party always lies the responsibility for the defence of Free Trade, and for the maintenance of all the benefits that flow from the avoidance of a Protective policy. In a sentence, the task of the Liberal party is to maintain Free Trade and to secure Free Institutions, and, in this atmosphere of freedom, steadily to work out a Liberal policy

of Social Reform. A strong Navy and an adequate Army are needed for the defence of the Empire, but its best security is that the citizens of the Mother Country shall be contented with the laws and social conditions under which they live. This is the ideal which inspires our party, and this is the ideal for which Liberals will unceasingly strive.

*42, Parliament Street, S.W.,
November 2nd, 1910.*

NATIONAL LIBERAL FEDERATION.

STATEMENT OF RECEIPTS AND PAYMENTS ON GENERAL WORKING ACCOUNT.

Dr.

FOR THE YEAR ENDING DECEMBER 31ST, 1909.

Gr.

RECEIPTS.			PAYMENTS.		
£	s.	d.	£	s.	d.
To Cash at Bankers, Jan. 1st, 1909	6	12	By Salaries and Wages, and Fees of Agents and Organisers	2,129	7
„ Cash in hands of Secretaries	40	0	„ Organisation and Travelling Expenses and Money Grants to Affiliated bodies.....	702	3
„ Subscriptions and Donations and Interest on Deposit		5,812	„ Printing, Stationery, Books and Newspapers	190	13
		1	„ Grants of Pamphlets and Leaflets, and share of establishment charges of Liberal Publication Department	907	13
		7	„ Public Meetings, Lectures, Conferences and Annual and other Meetings of the Federation	980	14
			„ Rent, Coals and Lighting	254	3
			„ Postages and Telegrams	209	1
			„ Office Furniture and Plant Account	17	2
			„ Office and Incidental Expenses	81	5
			„ Cash at Bankers, Dec. 31st, 1909 ...	336	10
			„ Cash in hands of Secretaries.....	50	0
				5,472	3
				386	10
				£5,858	14
					2
			Audited and found correct, (Signed) CHAS. RICHARDS & CO., <i>Chartered Accountants,</i>		
			CORBEN CHAMBERS, CORPORATION STREET, BIRMINGHAM.		
			16th March, 1910.		
			(Signed) FRANK WRIGHT, Treasurer.		

PROCEEDINGS

AT THE

THIRTY-SECOND

ANNUAL MEETING

OF THE

NATIONAL LIBERAL FEDERATION

HELD AT HULL,

ON

NOVEMBER 25TH, 1910.

*Many of the speeches here recorded have been revised by the speakers,
mainly from the excellent reports of the "EASTERN MORNING NEWS."*

PROCEEDINGS
AT THE
THIRTY-SECOND ANNUAL MEETING
OF THE
NATIONAL LIBERAL FEDERATION
HELD AT HULL,

ON FRIDAY, NOVEMBER 25TH, 1910.

The Executive Committee of the National Liberal Federation early in the present year decided, as an experiment, to revert to the former practice of holding the Annual Meeting of the Federation in the autumn, instead of during the Parliamentary Session as has been the case in recent years.

It was hoped by the adoption of this course, and in anticipation of a normal Parliamentary Session, that the meeting would be held in the Parliamentary vacation, thus enabling Members of Parliament to be present in larger numbers than if the gatherings were held during the sittings of the House of Commons.

Soon after this decision was arrived at, the course of Public and Parliamentary Business was altered by causes which are well remembered, and to which reference is made in the Annual Report of the Executive Committee. Events necessitated the holding of an Autumn Sitting of Parliament, but by this time arrangements were fully made for holding the Annual Meeting in November.

When, however, the early Dissolution was announced, the Executive Committee had at once to decide (in view of the fact that, by the rules of the Federation, at least one meeting of the Council must be held during the year, and the equally important fact that the Prime Minister held to his promise to address the Federation on the grave issues to be submitted to the decision of the country) whether the meeting should be proceeded with, or postponed until after the election.

It was decided to hold the meeting, but, by abandoning nearly all the social functions, to compress the proceedings into one day.

The following circular was issued to the Affiliated Liberal Associations and to the appointed delegates on November 18th:—

National Liberal Federation,
42, Parliament Street,
London, S.W.,
November 18th, 1910.

THE GENERAL ELECTION AND THE HULL MEETINGS. ALTERATION OF PROGRAMME.

The sudden change in the political situation which has occurred since the programme of the Hull meetings was drafted makes it necessary to revise the order of proceedings at Hull.

To all intents and purposes the Election will have commenced by the end of next week.

Our delegates are the mainspring of Liberal work in their various districts. In a crisis like this, their place would seem to be in their own constituencies rather than at Hull. If there are delegates who take this view, the Committee does not press them to come to Hull. But, to make attendance at Hull easier for those who desire to be there, the Executive has determined to reduce to a minimum the time involved in attending the meetings, and a programme of two days has been compressed into a programme of one day.

The following will explain what changes have been made.

The original announcement was that the First Session of the Council would commence at 2.30 p.m. on Thursday next (the 24th), and that on the evening of that day there would be a reception, to be given by Mr. and Mrs. Ferens, in the City Hall, at 8.30 p.m. Both the Council meeting and the reception on this day are cancelled.

Instead of the Council meetings commencing on Thursday afternoon, the First Session will begin at 11.30 a.m. on Friday, the 25th. The Mayor of Hull will attend and welcome the delegates on their visit to the town, and greetings will be extended by a deputation of the Scottish Liberal Association. This morning Session is largely for the transaction of formal business. The President and Treasurer for the ensuing year will be elected; the annual report and statement of accounts will be submitted; and votes of thanks will be passed to our friends at Hull.

The resolutions dealing with the Budget and Land Valuation, Free Trade and Electoral Reform will not be moved. In such a crisis it is our business to concentrate on one issue, and on one issue only, viz., the House of Lords. It is proposed to devote the Second Session entirely to that question. The Session will commence on Friday afternoon at Two o'clock, and will end at Four. The principal speakers will be:—

The Lord Advocate (The Right Hon. Alexander Ure, K.C., M.P.),
The Right Hon. Russell Rea, M.P., and
Mr. Ellis J. Griffith, K.C., M.P.

It ought to be a meeting of extreme interest, with a number of very notable speeches on the burning topic of the hour.

At the conclusion of this Session the reception and chamber concert will take place, to which delegates are invited by the Dowager Lady Nunburnholme.

At Eight o'clock on Friday the Prime Minister will address a great public meeting in the City Hall. The Committee of the National Liberal Federation regard it as a high compliment to our organisation that, at

such a time as the present, the Prime Minister should have signified his desire to keep this engagement and to address a meeting at which the chosen delegates of the English and Welsh Liberal Associations will be present.

ROBT. A. HUDSON,
Secretary.

FRANK BARTER,
Asst.-Secretary.

Even at the eleventh hour further alterations were found necessary.

Notwithstanding the fact that the presence of so many of the delegates was required in their own constituencies, most of them being officially connected with local Liberal Associations, and, therefore, responsible for the election campaign in their own districts, the attendance, in the circumstances, was remarkably good, and there are few constituencies in England and Wales which were not represented at the Council meetings and at the great Public Demonstration addressed by the Prime Minister.

The Executive Committee was placed under the heaviest obligation to our hosts in Hull for their ready and generous acquiescence in the numerous changes of our plans which circumstances required to be made at the eleventh hour. The various social functions, though so much curtailed, were greatly enjoyed by all who were able to attend them.

FIRST SESSION OF THE COUNCIL.

The first Session of the Council was held in the Assembly Rooms at 11.30 o'clock. Sir Edward Evans (Chairman of the General Committee of the Federation) occupied the chair.

Among those who were present at one or more of the meetings were the following:—

The Lord Brassey, G.C.B., the Right Hon. Alexander Ure, K.C., M.P. (the Lord Advocate), Mr. H. T. Baker, M.P., Mr. G. J. Bentham, M.P., Sir J. Compton-Rickett, M.P., Mr. T. R. Ferens, M.P., Mr. Stephen W. Furness, M.P., Sir W. Alfred Gelder, M.P., Mr. Ellis J. Griffith, K.C., M.P., Mr. J. Duncan Miller, M.P., Mr. C. N. Nicholson, M.P., Mr. Fred Ogden, M.P., Mr. P. Wilson Raffan, M.P., Mr. J. M. Robertson, M.P., Sir Luke White, M.P., the Hon. Guy Wilson, M.P.; the following officers and members of the Executive Committee of the National Liberal Federation:—Sir Edward Evans (Chairman of Committee), Mr. Frank Wright (Treasurer), Dr. R. W. Aske, Mr. F. Ballard, Sir Percy W. Bunting, Mr. A. H. Burgess, Mr. W. E. Farr, Mr. J. B. Morrell, the Right Hon. Russell Rea, M.P., Mr. Richard Sands, Dr. A. C. J. Wilson, Sir Robert Hudson (Secretary); the officers of the Hull Liberal Federation and Hull Divisional Liberal Associations, and more than 600 delegates officially connected with the affiliated Liberal Associations of England and Wales

The Mayor's Welcome.

THE MAYOR (Councillor T. S. Taylor) formally welcomed the delegates to the city. In doing so, he said that in being present that morning as the Mayor of this city to welcome the National Liberal Federation he wished it to be clearly understood that his presence was non-political. As a matter of fact, their municipality knew no politics. Strange as it might seem, they managed to get on very well without them. Hull was a city of considerable importance, and its inhabitants felt they were citizens of no mean city. They had the distinction of being an ancient city, a city whose birth-place was the home of many distinguished men, such as the De la Poles, Andrew Marvell, and William Wilberforce—distinguished men, whose names stood for patriotism, philanthropy, and liberty. He had said they were an ancient city, but they were not living on the traditions of the past, and they claimed to be thoroughly up to date. He ventured to hope that they would find ample evidence of this during their visit. It was on record that one of his predecessors refused to admit King Charles the First. That was not his attitude to-day to the Liberal Federation, but in the name of the citizens he offered them a most cordial welcome. He trusted that their stay in the city would be of a very pleasant character, and that they would take away with them kindly feelings of this good old city of Hull.

SIR EDWARD EVANS replied, and said that on behalf of the delegates he offered their sincere thanks for the Mayor's courtesy, and for the kindness of his remarks. He thought they were right in following what he was glad to say had been done throughout the country, for wherever they went they generally received a welcome from the Mayor. The Mayor had rightly said he was proud to be Chief Magistrate of a city like Hull, and some of them knew of the great improvements that had been made. Again he thanked him cordially for his very kind welcome on behalf of the citizens of Hull.

Vote of Sympathy with the President.

At the suggestion of the CHAIRMAN, a resolution of sincere sympathy was passed with the President of the Federation (Sir William Angus) in the loss he has recently sustained. Those who knew Lady Angus best knew her worth, but whatever the public might know, the loss to their President and his family was irreparable.

The SECRETARY (Sir Robert Hudson) read the following letter from Sir William Angus:—

Newcastle-on-Tyne,
November 22nd, 1910.

DEAR SIR ROBERT,—It is a great grief to me to be debarred from taking my place and performing my part at the momentous meeting of the Federation which is about to be held in Hull. If I had not been

assured by my medical advisers that I am at present physically unfit to do the work which is incumbent on your President on such an occasion, I would not have allowed my private feelings or my sense of unutterable loss to have kept me at home whilst my comrades are doing their duty in this great national crisis.

Many of the good causes for which generations of Liberals have patiently laboured have suddenly matured. Harvest is upon us. It is hard to stand idle when a few weeks of strenuous effort may safely garner the fruits of our toil.

All the paths which lead out of and away from the inequalities, the injustice, the serfdom of the past have now converged. All the paths of progress are merged to-day in one Main Road. This Election has to decide whether that Road of British freedom is to end in the Slough of Despond which the House of Lords has prepared for it?

If reaction triumphs now, it turns the whole story of our struggle for liberty into a meaningless tale. Our defeat would make the House of Commons the vassal of the Lords, who are already the tools of the party of privilege. If the House of Commons is thus degraded and made subordinate, our liberties are gone and our votes become mere play things. Then indeed should we be defenceless before interests which would increase the cost of our living and cripple our commerce by their so-called Tariff Reform: would add to our heavy burden of taxation by the unnecessary, and therefore provocative, increase of expenditure on armaments; and would, if present indications mean anything, impose conscription upon necks that have never worn the yoke.

Our defeat would leave untouched the injustice which already prevails in our educational system, and would slam the door upon the hopes of Welsh Nonconformists, of Scottish tenants and the Irish people. It would close the vista which the Budget has opened of realising our visions of Social Reform. The fate of every abuse which the National Liberal Federation has sought to abolish, and of every good which it has sought to achieve, hangs on the issue of this conflict.

The Prime Minister has told us what we are fighting for. It is our task to see that his message is heard and understood in every corner of every Constituency of the Kingdom. As soon as our meetings are over on Friday every delegate must return instantly to his own district and apply himself to this most urgent work. If we can make clear the tremendous issues involved in the conflict, we need have little fear about the result.

It has usually happened that the army of progress has been weakened by the different pace at which its regiments march. The forces of obstruction were united because they stood still. They have lost that advantage since they became reactionary. They are now divided both by the pace and by the direction of their reaction. Progress has been kept waiting so long at the bar of the House of Lords that the most laggard of its sections has had time to come up to the main body. On questions of practical politics, progressives are united. The most moderate of Liberals cannot tolerate the assumptions of the Lords and is as earnest in resisting their pretensions as the most ardent of Radicals.

On Friday Mr. Asquith is to address the Federation. He will have a great reception and he deserves it. I doubt whether our party ever had a Leader better fitted for the times. He is wise in counsel, patient in negotiation and resolute in action. My advice to the Federation is to trust him and support him.

Yours very truly,
(signed) WILLIAM ANGUS.

Election of President and Treasurer.

The CHAIRMAN (Sir Edward Evans) said that meeting of the Federation was a unique gathering. In the first place, they ought to have had their annual meeting six months ago, and, in the second place, there was every prospect of a record gathering, but a great deal had happened since they met in Southport nearly eighteen months ago. They had had a General Election, at which it was prophesied they were to be wiped out of existence as a body. The result was fought out, and they won that election. In the second place, there was the death of his late Majesty, which caused matters to be postponed, and to meet rather the convenience of the Prime Minister it was decided to leave the annual meeting over until as late a period in the year as at present. He thought they would agree with him, that the Liberal party were never about to enter a contest in better heart than they were at present. So far from any of the attacks, or so-called attacks, on the rights of property or the privileges of the Peers affecting the man in the street, he thought the man in the street was coming round to their side and their way of thinking. They had heard the message of their president, and he was sure they would all deeply regret that Sir William Angus was not with them. It was because they had such a president that again it was his privilege to move that he be re-elected for a further period. Sir William Angus was one of the most sturdy Liberals in the North of England, and they needed men of that class, and he was sure this was not a time to change horses. He concluded by moving the re-election of Sir William Angus as president, and Mr. Frank Wright as treasurer for the ensuing year.

The HON. GUY WILSON, M.P. (West Hull), seconded the resolution, and remarked that Sir William Angus was admired by all. His life had been an example of what the life of a true Liberal should be, and he thought it ought to be an incentive to the younger generation of younger Liberals to whom they would have to look to carry on the work so ably begun by veterans such as Sir William Angus. Sir William succeeded Dr. Spence Watson as the leader of the Liberal party in Newcastle, and he eventually also succeeded him as president of the Federation, and he ventured to think that few cities could have given them two better men. If Newcastle had sent them good men, Birmingham had sent them another—he referred to their treasurer, Mr. Frank Wright. It spoke volumes for his Liberalism and moral fibre that Mr. Wright had remained true and staunch in such a place as that Midland city. Birmingham was a stronghold of reaction, but no stronghold was so unassailable as not to be eventually captured, and in Mr. Wright they had one of the leaders of a great party of Liberals determined to lead Birmingham back into the Liberal fold. In Hull they began the fight on Monday, and he honestly believed that for the first time they would see three Liberals returned.

The resolution was carried unanimously.

Mr. Frank Wright, in acknowledging the resolution, said he hoped they would show their appreciation of the sterling services of Sir William Angus by responding with every faculty and gift they possessed to the call he had sounded in the message sent to Sir Robert Hudson. Proceeding, he said they were in need of funds. That was nothing new. They wanted a war-chest. As a Liberal of the old school, he added, he looked with amazement, anxiety, and alarm, and, perhaps, even with jealousy upon the way in which millions of money were being spent on armaments.

Greeting from the Scottish Liberal Federation.

The Scottish Liberal Federation should have sent a deputation to the Federation, but owing to the approach of the General Election found it impossible to do so. They sent a telegram expressing their regret, and hoping that the Liberal party in England would do well at the elections.

Adoption of Report and Statement of Accounts.

MR. T. R. FERENS, M.P. (Hull, East), moved the adoption of the annual report and statement of accounts. In doing so, he said he joined with the Mayor in tendering to the delegates a most cordial welcome to their dear old city. Speaking of the forthcoming Election, Mr. Ferens said he believed they were striking while the iron was hot. Now was their opportune moment. The country was ready for the fray. They had had several meetings in Hull, and although they had enormous enthusiasm in 1906, the meetings they had lately had exceeded in enthusiasm last year's meetings. Had time permitted he would have spoken on education, upon licensing reform, and upon electoral reform, one-man-one-vote—and one vote only. Other matters would have been mentioned, probably the Budget. They who possessed some little means had met Mr. Lloyd George. He had heard very wealthy men in the House of Commons—men who were millionaires—say, “tax us as much as you like, but do not put any more taxes upon the necessities of the people.” That was the sort of spirit that ought to animate the dukes, but it did not. They had worked for reforms for a long time, and had carried them through the House of Commons, but when they got to the House of Lords those reforms were muzzled and ignominiously thrown out. The time had come when this great constitutional question was to be settled once and for all. The battering-ram of the democracy was going to say that the final veto of the House of Lords should be abolished, and abolished now.

MR. HAROLD BAKER, M.P. (Lancashire—Accrington), in seconding, said that the results of the Conference had shown that the Liberal Party could place complete confidence in their leaders. He also spoke of the Union of South Africa, and said that this was a striking act of constructive statesmanship. He did not suppose there was a more remarkable spectacle in the history of the Empire

than that the leaders of a hostile people should be deliberately collaborating in the tasks of peace. The success there was full of promise for a happy and speedy solution of the Irish problem. Referring to the Liberal legislation during the year, he said they had a constructive policy of social reform which, when it was complete, would have so arranged the social machinery that man's social needs would be met, and the wicked waste of human life and human energy would be no longer necessary.

The resolution was carried unanimously.

Vote of Thanks to Local Hosts.

MR. FRANK WRIGHT (Treasurer of the National Liberal Federation) moved the following resolution:—

“That the best thanks of this Council be tendered to the Right Worshipful the Mayor of Hull (Councillor T. S. Taylor), to the officers and members of the Hull and district Liberal Federation, to the Dowager Lady Nunburnholme, and the Hon. Guy Wilson, M.P.; to Mr. Thomas R. Ferens, M.P., and Mrs. Ferens, to Mr. G. J. Bentham, M.P., and to all others who, by the excellence of their local arrangements and by their cordial welcome and generous hospitality, have contributed so much to the pleasure of the delegates on the occasion of their visit to Hull.”

Mr. Wright referred to the pleasant time they spent in Hull eleven years ago.

SIR PERCY BUNTING seconded the resolution, and said that Hull would be proud of the meeting in the future, because it was at a time when great and momentous issues were at stake. He also briefly referred to the success of Liberal legislation, and said that they were bringing prosperity and happiness for their opponents as well as for themselves.

The resolution was carried by acclamation.

MR. G. J. BENTHAM, M.P. (Lincolnshire—Gainsborough), in responding, said they were delighted to see the members of the Federation in Hull. They did their best eleven years ago, and they were sorry they could not do more that day, but they were looking forward to the time, ten or eleven years hence, when they would again give them a right royal Yorkshire welcome. Mr. Wilson had said they were beginning their campaign on Monday next; he began his last Monday, and he addressed five meetings the previous night and got home at 2 o'clock that morning, but he was fit to address five or six more, and they would have about thirty more next week. The people of England were ready to go along the path of progress, and they were calling with loud voices for the lords and lackeys to get out of the road.

SECOND SESSION OF THE COUNCIL.

FRIDAY, NOVEMBER 25TH, AT 2 P.M.

The House of Lords.

MR ELLIS J. GRIFFITH, M.P. (Anglesey), moved the following resolution:—

“That this Council expresses its keen delight that the issue is at last to be decided whether the House of Lords or the House of Commons shall be the final authority to determine the course of our Government and the shaping of our laws. The Council, for itself and for the Liberal Associations of England and Wales, which it represents, declares its wholehearted confidence in Mr. Asquith, and promises to him and to his Ministry the unswerving and enthusiastic support of the party in any and every step they may find it necessary to take to carry this struggle to a swift and triumphant end.”

MR. GRIFFITH said they were met that day upon the eve of a General Election, and a moment of crisis in the history of their country, because the representative Government was at the present moment threatened. The forces of reaction were always more or less strong, but to-day, for the first time at any rate at this juncture, reaction had laid its hands on the very essence of representative government of this country, and they, as Liberals, were fighting the cause of free institutions. The resolution dealt with the greatest of all possible questions. It was not merely one question, but the foundation of reformation of all progress. They had a great cause and a just cause, and a winning cause, and they had a great leader—a man of high wisdom, of matured judgment, and unfaltering devotion—a man who had kept faith in the trying years. He was sure they could assure him (*Mr. Asquith*) that day that they had absolutely implicit confidence in him as leader of the party of progress at the present time. What was the present situation of their party and this great question? In April this year the Veto Resolutions were introduced in the House of Commons. In May—it seemed as if on the eve of a General Election—came the lamented death of their late King, which made an immense difference in the political situation, and induced the leaders of both sides to see that if anything could be done it should be done by talking the matter over in private conversation. The Conference met on twenty-one different occasions, and when it attained its majority it died. He did not think its decease was very much regretted by a great many of the Liberal Party. He himself said all along that if the Conference failed it would be a great success, and if it succeeded it would be a great failure; therefore, from his point of view, it had been a great success. He congratulated those who were responsible for it. The great mass of the Liberal Party had not much sympathy with these delays and compromises, for they knew

full well that they could not obtain as the fruits of compromise the fruits of victory. Now, at any rate, they were going to attain a victory, and the results of victory would be very different from the results of compromises. They had been told by their opponents that what they sought was peace—a very laudable object, both at home and abroad. All they (*the Liberals*) said was this, “We will give you peace if you will give us peace.” But they could not possibly obtain peace unless the foundation of the rights of Government in this country were respected and established. Let them come to the resolution which dealt, as they knew, with the House of Lords. The first question which naturally occurred to them was, “Who are these Lords?” More was known about them than could be conveniently said in a public meeting. That aspect of the question must be left to another conference, where the disputes and disputations were in private with the parties. Lord Ridley had told them something about them—and he should know, because he was the second of the line—that they owned one-third of the country—of the land represented there. Of course, they all knew they represented no one. Lord Lansdowne said on December 3rd that if the people of this country approved of the Budget, then, indeed, he should think they had lost their senses. That was a very serious suggestion, because the people of this country did lose their senses, but whether they lost them or not they were not going to lose the power of their vote in this country. The Lords, as he understood it, took it that they represented the permanent sentiments of the people of this country. Their only principle of action was reaction, and they looked upon themselves as Heaven-born. It seemed to him that they were in an exactly contrary direction. They say, “We are not to blame, we cannot help ourselves. It is not our fault, but it is our misfortune that we are here, and that we act as we do.” All he could say in reply was that a body of men so dogged by misfortune were not fit to take part in the government of this country. Their obstinacy was astounding. They were animated by their mistakes; they were encouraged by their errors, and they were sustained by their misfortunes not only to remain where they were, but to make even further claims upon the representative Government of this country. They were not against the Lords as such; they were against the Lords, but they were against them because they were in favour of reform.

He spoke as a Welsh member and as a Welsh Nonconformist, and all he knew was that whatever Wales had set its heart upon the House of Lords had set its back against. Whatever might happen in other parts of the country, Liberals might have absolute confidence that Wales would go right once more. They must not forget that the House of Lords was the only institution in this country that had failed altogether to keep in touch with the increasing needs and the increasing development of the country. The Crown had not exercised its veto since 1707. The House of Commons had brought

itself into line with the increasing requirements of the age. In 1832 it reformed itself to represent for the first time the middle-classes; in 1867 it developed the franchise so as to represent the workmen and artisans of our great towns and cities; and in 1884 it brought itself further into line to represent the agricultural labourer. Throughout these changes the House of Lords had remained the same. Perhaps that was not an accurate statement, because if it had remained the same they knew that the Tory Party, upon the authority of one of its leaders, was a stupid and a stick-in-the-mud party. As long as the House of Lords stuck in the mud he would have had no complaint, but it was a reactionary party, and in 1909 the House of Lords made two claims that they thought could no longer be made. It made a claim against the Crown and a claim against the Commons. It made the claim against the Crown that the power of dissolution was in its hands, and against the Commons that every Bill and Budget were in their hands. Those were reactionary proposals. They now, by their alleged reform, made another claim against the Crown, because they intended to limit the creation of peers in the future. If the reform meant anything, it meant that no further peers should be created after this year. That would stereotype the type such as it was, and entrench their powers beyond any hope of attack. Then, again, the Lords had had a chance of reforming themselves. It came to each man in his day and generation, and men, like institutions, seemed to delay the opportunity until perhaps it was too late. The Lords had a chance in 1869; they rejected it. They had another chance in 1884; they refused it. And now, at the end of the twelfth hour, they were most anxious to reform themselves upon the eve of a General Election. All he could say about their plan was this: it was mockery, it was sham, it was quackery, and it was fraud, and no Liberal, he thought, could be affected by these proposals—proposals inspired by panic for the present, not only blue blood, but blue funk as well. The Lords had endeavoured at the last moment to find some way to keep their superfluous selves alive.

They must not be afraid of the antiquity of the institution, because only sixty of them represented peerages more than 200 years old. There was many a peasant in Wales with a longer lineage. What was the plan of the Liberal Party? It was a very fair and reasonable one, and it was that, when a Bill went through three successive Sessions, as long as there was an interval of two years between the first introduction and the third passage through the House of Commons, that measure should become law without the consent of the House of Lords. He illustrated that by referring to the Plural Voting Bill, and proceeded to speak of the past twenty-one years, in fourteen of which the country had been represented by the Tories, and the other seven by the Liberals. During fourteen years, he said, the House of Lords were always in abeyance and obedience to that great democrat—Mr. Balfour. It was something

to know that the master of the House of Lords was himself a democrat who learned his lesson of democracy in the City of London. During the seven years that the Liberals were in power the Lords were in resistance and revolt during the whole of that time. They threw out seven Bills dealing with land itself between 1906-10; they threw out the Education Bill, and the Licensing Bill. They had always been the puppets of the parson and always the lackeys of the liquor trade. One hundred and sixty-five sittings were wasted because of the conduct of the House of Lords, and they wasted a quarter of their time in the House of Commons upon measures they rejected. No wonder they called themselves the Upper House. But the House of Commons were not an inferior House, and were not going to hold their seats by servile tenure.

He ventured to think that this institution was hopeless from a consideration of the men who occupied seats in that assembly, and he thought he could prove it from another point of view. An assembly was not hopeless so long as there was a strong minority of good men there to make their influence felt. There was a minority of good men in the House of Lords which ought to make its influence felt—there were twenty-six, two archbishops and twenty-four bishops. Those were the men who derived an income of £166,000 a year for their spiritual ministrations to the people of this country; they controlled the patronage of 2,000 livings, and they were men chosen for their learning and for their piety and devotion, a body of men who would leaven any assembly unless it was utterly hopeless. But, curiously enough, although they had subscribed to the Thirty-nine Articles and the Sermon on the Mount, they had never been able to bring the dark sounds of suffering and of sorrow which brooded low over the earth to the ears of the House of Lords. An assembly which the bishops had failed to convert must be a hopeless assembly, and it must be still more hopeless when, as he thought, even the bishops themselves had been corrupted by their surroundings. This was an old Liberal fight. Circumstances might alter and the particular questions of the hour might change, but the old Liberal fight was always the same from year to year, from generation to generation. It was always the rights of the many against the privileges of the few, and to-day they were fighting the old battle of privilege and monopoly in their land. Against partisan profession and against preposterous arrogance on the part of the Peers there stood but the barrier of the verdict of the people of this country. In this campaign they needed, and they possessed, perseverance and courage, concentration and enthusiasm. Their leaders had again sounded the onward march; they had lighted again the beacons of hope, and personally he awaited the future with confidence, for they were men with high hope and full faith awaiting the verdict of their countrymen.

MR. J. M. ROBERTSON, M.P. (Northumberland—Tyneside), in seconding the resolution, said that the resolution roused in him some feeling of solemnity, as well as some feeling of warmth. When he first went to live in London, some twenty-six years ago, one of the first political associations he joined was the People's League for the Abolition of the House of Peers, and in the ranks of that body there was an earnest determination, but the leaders put up the flag of truce, and came to a compromise. There was throughout the ranks a feeling of deep disappointment and sorrowful apprehension for the future, which the march of events had justified. The Upper House was left in possession of its powers uncurbed and unmodified, and since that year how many high hopes had turned to ashes, how many good causes had been ruined! They could hardly wonder that the feeling of the great masses of their people to-day was that after enduring many years of insolent wrongs they had at last met their enemy in a straight and narrow place from which there could only be one issue. But that was hardly the spirit in which a just act of national rectification should be undertaken by national politicians, for after all they had to remember that the House of Lords had been made a force of evil in our national life by the fundamental constitution set up in the remote historic past. It was really an element incapable of assimilation in any political system of which the vital principle was representation. They might say that the evil dated from the time of Magna Charta, for that document was really an aristocrat's manifesto, a lord's job. After all, what was to be expected from a body constituted as was the House of Lords. The representative House all along had possessed the power of re-generation, self-reformation, and reconstruction, but the non-representative House had been, as it were, a dead thing, a thing incapable of organic life or progress. How could a body founded on the principle of hereditary inspiration do anything? It was a marvel that there had always been some decent men in it, sane men, who remained true to democracy. Some men who remained, and those had been for 100 years, true to Free Trade, when their fellows were striving to impose wicked and extortionate taxes upon imports of food. There was only one remedy for that disease of illegitimate power—they must restore the victims of the vertigo of unrestricted power by removing them to a lower station, by putting them in their true places as citizens. In the battle which had to come they would fight for the possibility of peace and the possibility of progress, but their fight must be one to a finish, and now that they had cleared the decks for what must be a decisive action, at least for their time, they said to their antagonists that the flag which stood for the denial of their birthright, which stood for the frustration of their freedom, the negation of every living principle of our constitutional life, must come down.

THE RIGHT HON. ALEXANDER URE, M.P. (Lord Advocate for Scotland), in supporting the resolution, said those responsible for the arrangements had well decided that they should concentrate their attention on the one supreme issue that was about to be submitted to the people. They were going to make it clear that this was not, as had been said, a mere numeral in a playful series of sham-fights. This was, and must be, "the" election to remove the deadlock between the two Houses. It was to decide whether supreme power was to be assigned either to the democracy or to privilege. Which was it to be? That was the question. They who were workers knew very well the difficulty of fixing the attention of the people upon one question to the exclusion of others. It was almost impossible to confine the issues of a General Election to one question. He was not an out-and-out believer in the mandate, he was not a plenipotentiary; he protested that he was not a delegate, and he absolutely refused to become a member of a representative House which should be compelled from time to time to return to its masters in order to seek approval for any Bill or measure which might be necessary for the welfare of the country. When the House of Commons ceased to be a representative assembly, he should cease to be a member of the House. They all recognised there were occasions in the history of their country when they must, setting everything else on one side, press forward towards the supreme goal. One of those occasions was upon them now. Should they rise to that occasion? He thought they would. It would require all their efforts, for their adversaries would do their best—or their worst—to confuse the issues, and to distract men's minds from the true object which the nation had now in view. He for one was perfectly satisfied that there was one way only to meet this move—a mere stratagem for the purpose of avoiding impending defeat—and that was to rivet the attention of the people first upon the mischief and then upon the definite plan by which his Majesty's Ministers proposed to remove it. To preach the doctrine of destruction was idle. As to the mischief, it was familiar to them all. The Second Chamber, which under existing conditions presented a permanent barrier across the path of progressive legislation, had become frankly and blatantly partisan. The measures of one party were passed with ease, the measures of the other party were only passed by the gracious condescension of the other party; the measures of one party were strangled or mangled, or indefinitely delayed, or what was almost as bad, allowed to pass with a sneer or a curse; the measures of the other party were passed with ease. When the Liberal Party commanded the support of a majority of the people, the representatives of the people could not pass the measures which they deemed necessary for the welfare of the country. The Tory Party, when they commanded a majority in the House of Commons, however small, however stale be the party, could pass with perfect ease any

measure which they thought fit. When one party was in, the machinery worked with frictionless ease, but when the other party was in, the machinery would not work at all. One party system was a paralytic; but when the other party was in it was a living and healthy organism. He was drawing no fancy picture; it was a grim, solid reality. The Tory Party, although in a minority during all these five years, had been in command of the situation so far as law-making was concerned. The House of Lords had been the weapon by which they had been enabled to achieve any object they desired. The puppets had obeyed the signal to the letter. Mr. Balfour was the master of the situation, whether in Opposition or in office. No sane man could defend the present system of the House of Lords. It never had been defended, it never would be defended, it never could be defended. Now they realised the mischief, the evil which they had endured. They had endured it too long, and they would endure it no longer. Having diagnosed the case, they would see how exactly the remedy fitted. His Majesty's Ministers proposed, in the region of finance, to tell the Peers now, henceforward, and for ever more, hands off the finances of the country. They had been told that what they proposed was Single-Chamber government. That argument—nay, not argument—that statement, was being repeated with parrot-like precision throughout the country. He had read through all the speeches that had been made in the House of Lords during the past few days, and he challenged anyone to point to him a single argument in support of the statement that they proposed a Single-Chamber government. The man who made the assertion spoke in the densest ignorance. There were three things for which the Second Chamber was designed. The first was revision—that they left; the second was discussion—that they left; the third delay—that they left—but not for ever. If what they proposed were Single-Chamber government, then they had been living under Single-Chamber government all their days. The change the Liberals proposed was, whether they were in office or their opponents were in office, the people's representatives should be supreme in law-making. It was a claim for even-handed justice, for exactly the same treatment by the Second Chamber to them as was accorded to their opponents, and that was a claim which no man had disputed or could dispute. That was a claim they made that day on behalf of the Government. They asked no more; they would accept no less. The second point of the Peers was the proposals for reconstruction. They proposed to take down their ancient walls, to level to the ground their ancient structure, and rear it up anew with fresh adherents. Was that a remedy for the mischief? It was no remedy. It did not touch the fringe of the mischief; it remained just the same even if they reconstructed the Chamber, on whatever lines they listed. What they required was no more nor less than a brand-new Second Chamber, with a permanent majority guaranteed under Mr. Balfour.

The mischief remained exactly the same as it was, only that the inequality had passed from them to their political opponents. No structure of it would so much as touch the surface of the mischief of which they complained. What they desired was that the representatives of the people, whether composed for the most part of Tory sentiments or for the main composed of Liberal, should prevail in the State, and should be the supreme power. He cared nothing whatever, therefore, for the form of structure, so long as its powers were limited. He need scarcely say that Lord Lansdowne did not propose to give them a guarantee of a Radical majority there. No, it was a very different type. It was a Second Chamber which might have a majority of nominated members, or might have a majority of hereditary peers chosen by themselves; or it might have a majority sitting there by office or qualifications; or it might be a majority chosen from the outside, somehow, by somebody, somewhere, they knew not how. Yet this Second Chamber would have the last and final say in the legislation of the democracy. The Liberal Party, however, were not fools or blind. They knew very well what a Second Chamber so constructed would be; it would be a permanent Tory majority installed; and they had had enough, and more than enough, of that. Within the past few hours, in a panic-stricken House, a fit of death-bed repentance, the peers not merely intimated their desire to revolutionise their own institution and revise their own ingredients and elements, but limit their own powers. Let them view it calmly and dispassionately and see if it meant a reasonable solution of the constitutional difficulties and to secure to the representatives of the people the supreme control of the legislation of the State. He turned first to finance. How did Lord Lansdowne propose to deal with the Finance Bill and Bills of a purely financial character. He proposed that, when a Bill was purely of a financial character, it should first be referred to a joint sitting of the two Houses with the Speaker in the chair without a vote. Hitherto and for generations back the custom was to refer the question to the high impartial authority of their own Speaker, and he knew not why they should be asked to transfer the decision of that important question. It was not mere tacking. Tacking was plain sailing. Tacking, as everybody knew, was an addition to the Finance Bill of something that had nothing whatever to do with it—Woman Suffrage, the Daylight Saving Bill, or the Bible. That was not what was considered purely financial. Lord Lansdowne had said that, although the Budget was unquestionably financial in appearance, yet it produced social and political effects, the importance of which was far in excess of the financial portion. He dared say they all could see his (*Lord Lansdowne's*) object. It was that the joint Committee, to which Lord Lansdowne would take uncommon good care to have a majority of his own friends there, should decide whether the Finance Bills produced social and political effects the importance of which far exceeded the financial portions. He thought

they knew what that meant. Lord Lansdowne and his friends would say they were not purely financial measures. He thought, under such circumstances, that every Liberal Budget would fall under that category. They had learned their lesson. The last Liberal Budget was no mere financial Bill according to that; it was a revolution, Socialism, piracy, confiscation, and everything else; and they treated it accordingly, and they would do so again. Whenever differences arose between the two Houses, Lord Lansdowne would take care that the Joint Sitting would be composed of a majority of his own friends, and be assured of a permanent majority. Who was to decide whether the Bill was a purely financial one or not? According to the Lords' proposal, every Liberal Bill would have to go back for the judgment of the people of the country by way of Referendum. He thought they all knew what that meant. It meant that all Liberal measures the Lords disliked would be subject to the Referendum, and any Tory Bills submitted would never be submitted to Referendum at all. It sounded a paradox, but it seemed to him that the principle of those Resolutions was embodied in the details. The details were hidden and concealed and deliberately withdrawn from public view. He could not describe the new plans and proposals better than in the language of his noble friend, Lord Morley—they were vague, nebulous, and all in the clouds. This was a mere schoolboy's sketch; it was a mere black outline which would enable the House of Lords to handicap and checkmate the House of Commons. For his part he wholly rejected those Resolutions. He called them an impudent mockery to the unanswerable claims of the representatives of the people for even-handed justice, equal treatment, and fair play.

The RT. HON. RUSSELL REA, M.P. (South Shields), said he had come back with tidings that the waters were receding; that the mountain tops were becoming visible, and that their ark would be very soon resting on solid ground. The message which came from South Shields was that the forces of Liberalism had advanced and not receded there this year. He believed as South Shields was, so was the North of England, and as was Walthamstow, so was London and the South. It was the English people they had got to win, and they intended to win them. Their cause was right and a cause so delicate as the constitutional struggle in which they were engaged demanded superb and supreme leadership. They had got a distinguished Cabinet of men; they were a splendid council of war, and in this battle they look to their General. The eyes of the world were concentrated upon their leader, and, in his opinion, they were supremely fortunate in their leader. They had a man of surpassing intellectual distinction, a man of the highest constitutional learning, and a man of the clearest sight, a man of extraordinarily clear speech, a man of courage, and a man of purpose. He believed Providence had given them exactly the man they required for this struggle. He understood there had been some

murmur, but personally he was perfectly content with the way in which they were going into this fight as laid down by the Prime Minister, viz., "In no case will we recommend a Dissolution except under such conditions as will secure that in the new Parliament the judgment of the people, as expressed at the election, will be carried into law." He wanted nothing better than that to fight for, and, given this clear issue. They were in for a bigger victory than many were venturing to hope. If they failed, it would be good-bye for this generation to the liberties of England. He could not believe when this great question was put clearly before the electors of this country that the judgment of the people at this election would be otherwise than so clear that Mr. Asquith would have no difficulty in carrying it into law.

MR. G. J. BENTHAM, M.P. (Lincolnshire—Gainsborough), in supporting the resolution, said it was to him a great pleasure to be there to support a Government which had presented such a united front. It was a Government which had been united in the Cabinet and undefeated in the country, a Government with a programme such as no Government had ever produced before. He had found in his constituency that the enthusiasm generated at the last election had not abated one jot or one tittle. The idea expressed at his meetings was "pistols for two, coffee for one!"—they meant the fight to be a fight to a finish. He was sure that if the Liberal Party had, as they intended to do, sent to the other place a Bill for the payment of members it would have been thrown out with scorn and contumely, and yet, if they looked at the matter, they would find they were paying to members of the House of Lords, irrespective of the Royal peers and the bench of bishops, £340,000 a year in salaries and in other ways, which seemed to work out at an average of about £700. Not in their wildest dreams had the Liberals ever dreamt of paying a member anything like £700, and yet those peers, with their tongues in their cheeks, would vote against a democratic measure whilst pocketing the money. They had heard something about a dollar election, but he thought it came badly from those who had never failed when they had an opportunity of obtaining dollars in one form or another, and he had in his hand a document about a foot in length, which he would not read, showing that the noble dukes were not above—well, he did not want to insinuate that they married for money, but they seemed to have the knack of loving where the money was—and, as Mr. Lloyd George had said, the American dollar had buttressed many a castle and had helped to hold up the fortunes of many a decaying house. Liberals this time earnestly desired to write Ichabod on the door of the House of Lords, and now they were going to strike once and for all. They stood for Free Trade, which had made England the greatest commercial nation, for educational reform, social and temperance reform, and, above all, the right of the people through the House of Commons to hold the purse-strings and say who should make our laws.

MR. C. N. NICHOLSON, M.P. (Yorkshire—Doncaster), said he had always maintained that this fight should be fought, not on the question of the reform of the House of Lords, but on the question of Liberal measures having the same justice and the same chance of passing as Tory Bills. He referred to the action of Lord St. Aldwyn with reference to the House of Lords, and said the Liberal party would have accepted his Lordship's proposals with absolute unanimity, but Lord St. Aldwyn afterwards told him that he (his Lordship) was always considered to be the black sheep of his party and there was not much chance of his proposal going through. Proceeding, he said there were as many opinions about the reform of the House of Lords as there were men capable of forming opinions. This was to be a straight fight and a hard fight. The opportunity had come now, and the question was whether they would be their own masters or allow other people to make their laws for them. From what he knew of Yorkshire—and he believed he was to be called upon to take a more prominent position in Yorkshire politics in the future—he thought they would set an example to the rest of the country in the election now upon them as they did in the election of January, 1910. They must put their shoulders to the wheel and let Yorkshire pull them through.

The resolution was carried unanimously.

This concluded the sessional meetings of the Council of the Federation.

MEETING IN THE CITY HALL.

NOVEMBER 25TH, 1910.

In the evening a mass meeting was held in the City Hall. The building was crowded with an enormous audience, and the proceedings were throughout enthusiastic. The chair was taken by Dr. R. W. Aske, Chairman of the Hull and District Liberal Federation.

The CHAIRMAN said it was his duty to express formally the great welcome that they all felt to the great Englishman, the great Yorkshireman, who was their distinguished guest that evening. They all admired his fine statesmanship; they all admired his superb declarations of policy, which his opponents disliked only worse than his splendid silence. What they in Yorkshire admired most was his manliness. Mr. Asquith had struck a higher plane of statesmanship than ever before; he had infused into it a spirit of humanity, and he had struck a new note, a human note, and he would live for scores of years to come in the hearts of a grateful country. It was far better to have for a motto "Help the poor people" than "Pity the poor Lords." They did pity them. What a state they were in! They found them now tumbling over each other in their eagerness to confess their unfitness to govern. They were like a rake who had worn out his constitution in riotous living, and who only felt the necessity for reform when the day of his dissolution approached. They did not believe in this death-bed repentance, and if they only let them get better, they would soon be ten times worse than ever they were. They had better have an operation now. About the Tory Party—what a party! or should they say, a series of parties? They had no leader; they had no programme. They dare not fight on politics; at least they dare not in Central Hull. They had no confidence either in their country, their countrymen, or themselves. They had got the melancholia over the land. They had stalked through the country trying to persuade everyone, great and small, that the land was ruined and that it was no longer a suitable subject for investment, and they said that down had come the values; and they were surprised now that the country had believed them. If the value of land had come down, it was because of the machination of the Land Union and its proselytes. They had cried out that England was unprepared for war, that we were not fit to fight, and that we dare not fight; and he asked them as Yorkshiremen whether they could conceive any greater inducement or encouragement to a foreign nation either to build battleships or to attack our shores. If we had no confidence in ourselves, who else could have confidence in us? It was just the same with regard to our industries, and, he continued, their declarations and their policy demonstrated that those men were absolutely unfit to have charge of a country like our own. Fortunately, England was in safe hands. It was in the hands of men who had a high belief in their country and countrymen, and it was under their sway that England was going to prosper as she had never done before.

SPEECH BY THE PRIME MINISTER.

Mr. ASQUITH, *who was enthusiastically received*, said :--Ladies and Gentlemen,—It is a great pleasure and privilege to me to find myself at such a moment face to face with so large and representative a gathering not only of the Liberals of Hull and the East Riding, but of the delegates from the National Liberal Federation who throughout the length and breadth of England and Wales are the staff officers of the Liberal army. For some months you have been condemned, for what I believe to be good reasons, to enforced inaction, but the time for truce and parleying is over. Within three days Parliament will be dissolved, and by the end of next week you will find yourselves in one of the most momentous political struggles in the annals of British history. I rejoice to know from the reports that reach me from all quarters that whatever may be the case elsewhere, our party is in good heart. There is no division of aim, there is no competition between sections, there is no rivalry of persons. There is everywhere unity, discipline, loyalty, and faith.

A Tory Fiction.

We are told that this Dissolution is the wanton and unscrupulous manœuvre of a desperate and discredited Government, that we are springing it upon the country in order that we may extort, without adequate discussion, from a dazed and bewildered electorate a precipitate assent to a revolutionary scheme for setting up Single-Chamber government. That is a fiction which is widely current and seems to have played a conspicuous part in the recent debate in the House of Lords. Let us just for a moment or two see how the matter really stands, and how far we can be justly charged with rushing a Dissolution upon an unprepared and uninformed nation.

The Issue at last General Election.

It is barely a year ago since the last Parliament was dissolved. What was the cause of the Dissolution? The rejection, for the first time in our history, of the Budget by the House of Lords, and I speak within the recollection of all of you when I say that, not indeed the sole issue, but the main and dominating issue at that election was upon these two points—first, Shall the veto of the Lords in regard to finance be altogether put an end to; and, next, Shall the veto of the Lords in regard to our legislation be limited and cut down? That was the issue which was debated upon a thousand platforms throughout the length and breadth of the United Kingdom for more than six weeks.

The Result of last General Election.

What was the result? You had a House of Commons returned to Westminster in which there was a majority against the continuance of the Veto of the Lords of something like 120. And if you look to Great Britain alone a majority against the continuance of the Veto of over 60. We are told that we are trying, by means of Irish votes, to thrust our policy down the reluctant throats of the British electorate, and I see the Tories have now got a new motto or war-cry from Mr. Balfour, "Great Britain shall manage the affairs of Great Britain." I have always thought, being a better Unionist than many who call themselves by that title, that the Budget was not an affair that concerned Great Britain alone. I have always thought that the Constitution was not an affair that concerned Great Britain alone, and that we are living now in a United Kingdom. But if we are to look to Great Britain alone, the result of the last election was that by an emphatic and decisive majority of over 60 the electorate of Great Britain declared itself in favour of the Budget and against the Veto of the House of Lords.

Why the Tories had no Alternative Policy.

But we are told there was then no alternative policy before the country. Whose fault was that? It was hardly our business to produce an alternative policy, and the reason why there was no alternative policy was this, that at the time the discovery had not been made by our Tory friends that the House of Lords, as it exists, is a decayed and crumbling structure which has got to be rebuilt from its very basement to its roof. No, that was the heyday of those peers, who went by the name—poor innocent men—of the Backwoodsmen, who must now in their remote retreats be rubbing incredulous eyes when they read every morning of what is going on at Westminster. I must not be tempted into unbecoming flippancy. I have been rebuked, *urbi et orbi*, by no less a personage than the Archbishop of Canterbury, because I ventured, by the citation of an almost classical passage from one of the most classical of English works, Boswell's "Life of Johnson," to import levity into the discussion of so sacred a theme as the House of Lords. Indeed my case is even worse. I have got into trouble with both the Archbishops. The one complains of my pleasantries and the other of my metaphors, so I am going to be careful and try to mend my ways, but at the same time, respectfully observing that it is not I and my friends, but Lord Rosebery and his associates, who, within the last fortnight, have pronounced sentence of death upon the House of Lords, and are now casting about to see if they can find somebody who can take up the succession. But a year ago, ignorant of what was in store for them, the rank and file of the House of Lords, who, after all, constitute a very large numerical majority in the body, were, with the benediction of their leaders, going about from platform to platform

trumpeting its virtues and relying, above all, upon its last and supreme achievement—the salvation of the country from the iniquities of a Socialistic Budget.

Misrepresentation of the Government's Policy.

There was no alternative policy then. But let me follow the matter out through its later stages. The new House of Commons met, and there has been so much misunderstanding and so much misrepresentation of the declared policy of the Government that I will venture to read to you what I said within a week or ten days after the meeting of the House of Commons on February 28 last. This is what I then said. I said on behalf of the Government in the new Parliament: "If the House should assent to our Veto proposals, a Bill to give effect to them will, without delay, be introduced. The Bill will give effect to the operative part of the Resolutions, but"—and observe these words—"but without waiting for the Bill to pass through all its stages in this House we have come to the conclusion that, in order to avoid waste of time and labour and to bring the main issue to trial and conclusion at the earliest possible moment, the resolutions so assented to by this House shall be submitted to the House of Lords." We refused, we deliberately refused, and I think we rightly refused, to go on with an operation which used to be known by the name of ploughing the sands to pass a Bill through all its stages in the House of Commons—First Reading, Second Reading, Committee Stage, and Third Reading—involving an infinite waste of time and labour when, during the whole process, perfectly aware that at the moment it reached another place it would be ignominiously repelled and rejected.

The Conference and After.

Those resolutions received the assent of the House of Commons after an exhaustive discussion on April 14 last, and in due course of time and but for unforeseen events they would, with as little delay as possible, have been submitted to the House of Lords. There intervened that most lamentable event, the death of our beloved Monarch. It was followed, as was natural, by something in the nature of a political truce and by an experiment which was new in our political history, but which, I think, though it has for the moment failed, was well worth trying. We sought to discover by Conference between representative leaders of both great parties in the State if it were possible to find some common basis of agreement for settlement by consent. Those efforts having failed, I would like to know who would suggest that we might have done or ought to have done other than that we are doing. Ought we to have prorogued Parliament? Ought we to have reintroduced in another Session our Resolutions and our Bill? Ought we to have wasted another twelve months of the time of the

country over a futile and impossible enterprise? Why, we should have lost, and deservedly lost, the confidence of our friends and the respect of the country.

“Dissolution was necessary.”

Dissolution was necessary, and I cite and commend to the attention of the Tory platform orators, the Tory writers in the Press—I commend words their own leader used in the House of Commons in the hearing of many of us only a week ago when he said in reply to me—I quote his exact words—“I agree it is almost certain that a General Election could not be deferred for more than a relatively small number of weeks or months. That I grant.” Well, if Mr. Balfour thinks so, if he agrees with us that a situation had been arrived at from which the only outlet was to be found in an immediate, or at any rate a near, General Election, what becomes of all this hollow cry against the Government for having rushed upon the country wantonly and unscrupulously an election which it did not require?

Another Tory Fiction.

Then there comes the other fiction—namely, that we are rushing a Dissolution in order that the Lords might have no opportunity of presenting their case and that, at the same time, we might avoid submitting our Budget to the House of Commons. And this nefarious stratagem is supposed to have been defeated by Lord Lansdowne’s masterly and patriotic counter-stroke of asking that the Parliament Bill should be introduced into the House of Lords. There is no word of truth in the story. The Government never had any such intention. They had made up their minds before Parliament reassembled that they would present their Budget in all its essential features for the assent of the House of Commons and that the House of Lords should have any opportunity they desired, either of criticizing our Veto proposals or of putting forward proposals of their own. That intention never varied for a moment, and it was literally carried into effect. I do not think anybody will dispute that the case for the House of Lords, such as it is, has been presented in the course of the last ten days with adequate, fullness of exposition and argument to the country.

“Afraid of the People”—Yet Dissolving.

They are always telling us we are afraid of the people. The motive of our scheme is supposed to be to enable the House of Commons to steal a march on its constituents and to carry out revolutionary measures in the teeth of those who elected them. Well, it is curious if that is so we should be dissolving now. We have got an ample majority in the present House of Commons for all the ordinary purposes of government and legislation, and yet we, who were supposed to be so afraid of the

people, supposed to cling to office by any desperate device that imagination can conceive, I say, we who were supposed to be so afraid of the people, are dissolving—and why? Because we are pledged to get this question out of the way before we proceed with Liberal legislation, which, under existing conditions, is a perfectly hopeless task. The only and, at the same time, the effectual method of getting it out of the way is to ask and to obtain the judgment of the country.

The Question for the Electors.

So much for that ; but what is the question which the electors have to put to themselves and to answer in the course of the next fortnight or three weeks? They have to determine whether we are to continue to carry on the King's Government, or to hand over the duty to our opponents. It is hardly necessary to say that the electors, at any rate, are free agents ; they are not under the domination of Mr. John Redmond. They are not compelled to toe any particular line. There is another thing to be observed about the electors—they know precisely what the consequences of giving us a majority will be. There is our plan in black and white, and everyone can understand it. The question for them simply is, Do they, or do they not, authorize us to carry it into law? I believe they will.

If the Tories Won.

But, as it is above all things desirable that they should come to their decision, whatever it is, with their eyes open, let me try for a few moments, if you will bear with me, to trace the consequences of a vote adverse to the present Government and putting the Tory Party into power. In imagination, at any rate, we can try and trace it out. I say nothing to-night, or nothing in detail, though I shall in course of the election, of the effect of such a change on the general policy of the country, on its administration, on its finance. I say nothing, or I only mention it in passing, of the certainty that such a change would bring sooner or later in its train under the guise of Tariff Reform a return to that system of Protection which less than a year ago was emphatically and decisively repudiated by all our great industrial districts. But the sole point to which I want to direct your attention is the effect that such a change would have on the settlement of the Constitutional question ; and this brings me to examine—it is time that it should be done—examine at rather close quarters what we now know to be the alternative policy. It is well worthy of examination.

What about the Backwoodsmen?

Let me first point out without any imputation upon anybody's good faith that it is at least doubtful how much of the crude and complex scheme—for it is both crude and complex—which has been so precipitately put together during the last week will ever travel even within measurable distance towards the Statute-Book. The House of Lords. I

know, has carried all these proposals without a division in hot haste, and on the eve of a Dissolution, but if and when it should come to real business, I am not sure that those backwoodsmen, of whom I spoke a moment ago and who, I have said, are a majority of the House of Lords, will be found to be such a negligible and moribund factor as they have been made to appear during all the discussions of the last week.

The Country would be Worse Off under the Lords' Scheme.

Nor is it easy to believe that a House of Commons with a real Tory majority, if you can conceive such a thing, would let this scheme through without large and even vital modifications. Indeed, Lord Rosebery has already, I see, last night put in a *caveat* that they must only be taken to have associated themselves with the general spirit and trend of the vote. There is much virtue in the word "trend," but let us take the scheme as now presented to the country as illustrative of their policy and assume that it is going to be carried into law. The proposition which I lay before you and which I lay to-night before my fellow-countrymen is this—that the country would be no better off, that in some respects it would be materially worse off, than under the existing system, which every one now admits to be utterly intolerable.

The New Second Chamber.

What is this plan or scheme which is now presented to the country as the solution of the Constitutional problem? In the first place, what is the new Second Chamber which is to be substituted for our ancient, venerable, and historic House of Lords? In the Second Chamber of the future there are to be three classes of peers, hereditary peers, official or qualified peers, and peers who are chosen—nobody knows by whom, nobody knows from whom, but peers who are chosen. What is to be the size? What is to be the proportion between these different elements, or factors, which make it up? How and by whom and by what process are the chosen ones to be admitted? All these so-called details are left open for future manipulation. But I think we can easily foresee the general result if the process of adjustment is to be in the hands—as, upon the assumption I am now making, it would be—of a Tory House of Commons, with the supervising counsel and judgment of a Tory House of Lords. In the present House of Lords the proportion of Tory to Liberal is something like twelve to one. For effective voting purposes it is about five or six to one. The party predominance in the new Second Chamber may be less odiously and offensively marked, but with such an absurdly wide margin of superiority you can afford to be generous and to give away a good deal—but does any rational man doubt that, on the basis of this scheme of Lord Rosebery's, according to the views of a Tory House of Commons and House of Lords, you will have a Second Chamber which will be overwhelmingly and permanently Conservative? And, in

the meantime—for this is the very essence of the scheme—you will have sacrificed the Royal prerogative of the creation of peers. In a word, you will be confronted once more with the old problem, the problem of chronic or recurring deadlocks between the two Chambers, the one Chamber responsible to the people and the other Chamber composed of—Heaven knows what elements—and the knowledge that a possible outlet for such deadlocks will be permanently blocked.

The Proposed Joint Session.

Let us come to another point. Let us examine this alternative proposal in all its aspects. These deadlocks, we are told, between the reconstituted House of Lords and the representative House of Commons, are to be solved by a Joint Session. Speaking for myself, I have always thought, and have more than once said, that, given a Second Chamber moderate in size and constituted on popular lines—that is a very important qualification—I would not exclude, certainly would not brush aside, procedure by conference and Joint Session as a possible and even hopeful expedient for the avoidance of deadlocks. But the crucial question here is left entirely and purposely untouched in Lord Lansdowne's proposals. Under what conditions is this Joint Session going to take place? In what relative proportions are the two Houses going to sit in it?—and remember the whole thing only comes into operation when you have a Liberal majority in the House of Commons. When a Tory majority is there the whole machinery falls into abeyance. The question is this, it goes to the very root foundation of the whole scheme—the question I ask is, What kind and what size of Liberal majority in your scheme is to have an effective voice in legislation? Is it to be 50? or must it be 100? or must it be 150? Until this is settled the proposal for a Joint Session from our point of view is wholly meaningless and nugatory. It is, in effect, nothing more than an invitation to substitute one set of shackles for another, when the nation has deliberately decided at the polls to entrust its fortunes and the shaping of its legislation to the party of progress.

What are Measures of "Great Gravity"?

But one step forward still. There comes in here a doubt—it is more than a doubt—what is meant by the exception from the operation of Joint Sessions of questions of "great gravity"? They are not to be decided by a Joint Session, but they are to be submitted by Referendum to the people. What are questions of great gravity? Who is going to decide? Obviously neither one House nor the other. What may seem to be grave to the House of Commons may seem to be trivial to the House of Lords, and *vice versa*. Are you going to call in a judicial tribunal? Are you going to bring in the Courts of Law? I earnestly trust no one will suggest that. And, if not, you must condescend to particulars and you must tell us what is the criterion and

what are the categories of questions of great gravity. I presume Home Rule is a question of great gravity. Is Disestablishment? Well, I do not know—I mean in the opinion of Lord Lansdowne and his friends. Is the abolition of plural voting? Above all and most important of all, is the question of a Tariff?

The Tories and the Referendum.

What are the subjects—surely we are entitled to ask—in regard to which Parliament is to be deprived of its omnipotence and compelled to resort to a plébiscite? Since when and why have the Tories become converts to the principle of a Referendum? It is one of the most remarkable and one of the most rapid instances of conversion in the whole of political history. I have never denied that there were rare but quite conceivable cases in which some such proceeding must be resorted to. Here we have the Conservative, the Unionist, the Constitutional Party advocating that a device that has been adopted with disappointing results in some of the modern States of the world shall become an integral part of the British Constitution.

The Referendum and Dissolution.

As such I protest against it, and I hope you will resist it, and I will tell you briefly the grounds. There are three on which I base my protest. In the first place, in effect it would, as regards all important legislation—these questions of “great gravity”—by statute give to the House of Lords the power, which it already claims, and which we strenuously deny to it, to compel, when it differs from the popular House, what would be to all intents and purposes a Dissolution and a General Election. Of course, on trivial matters, if you had a Referendum, as has been found in America, in Canada, and in Australia, people would not take the trouble to vote, and the result of such an appeal would be no index to the true state of popular opinion. If you come to really great questions, questions like Home Rule or the Tariff, does anyone suppose that such an appeal would not be attended by all the tumult of a General Election? The Parliamentary machine would be set at work, members and intending candidates would come down to their constituencies to address meetings, canvassing, placarding, the circulation of literature, all the operations of an electoral campaign such as we are contemplating, some of us with mixed feelings, would be in full swing, and the country would be to all intents and purposes involved in all the expense and turmoil of a General Election. And then suppose on a vital question like that the decision went against the Government of the day. Could the Government continue in office? Clearly not. They must either resign or dissolve. If they resigned and their opponents came into power they would have to dissolve, and you would have two Dissolutions, two General Elections, two appeals to the electorate in regard to every vital question of national policy and legislation.

The Referendum and Parliamentary Responsibility.

But I have an even stronger objection to the use of the Referendum as a part of the Constitution—that it would impair, if it would not entirely destroy, the sense of Parliamentary responsibility. You send your Members to the House of Commons to give there the best of their judgment and the best of their ability to the transaction of the affairs of the nation on the lines and within the limits of the principles and pledges which they have professed to you, and on which they sought your confidence. You do not want a Member of Parliament to go there an irresponsible item, to say, “I will vote against this or for that, because my vote does not matter, because the thing has got to go back to the electorate, and I am here as an irresponsible delegate and not here to represent, to the best what I believe to be, the considered judgment of the nation.” You are sterilising the sense of responsibility, which is the very soul of Parliamentary Government.

The Referendum and Representative Government.

At the same time—and this is the third point—you are really destroying the principle of government by representation, which is the great invention of the modern world. Democracy without representation very soon degenerates into anarchy or Cæsarism—one or the other. The only machinery which the genius of man has yet discovered which will enable democratic government to be made into a working concern is the adoption, the amplification, the development of that principle of representation. I speak not as a party man for a moment, but as a convinced democrat and one who wishes to see democratic government made increasingly efficient and capable. When the Tory Party are tumbling over one another helter-skelter, pell-mell, in their zeal and affection for this new-fangled discovery of the Referendum, I ask my fellow-countrymen, in the interests not of one party or another, but in the interests of those larger and more permanent concerns which are the common property of us all, to hesitate before, in order to find a plausible way to escape from difficulties which can be otherwise solved, they strike a deadly blow at the very foundation of representative government in this country.

The Two Alternative Policies.

I am sorry to have kept you so long with these, though they are not minor points, but I want at the outset of the coming struggle the country to realize clearly what are the two alternative policies placed before them. I can sum them up in a couple of sentences. How shall we stand if this alternative policy now put forward by the House of Lords is approved by the country and its legislative definition and embodiment entrusted to the Tory majority in the new House of Commons? In the first place, you will have a Second Chamber

which, from its composition and character, gives us at any rate no greater security against a deadlock than we already possess. In the second place, when deadlocks occur, you will have no greater security than now that the will of the popular Chamber will be predominant, or that its will may not be over and over again, frustrated and delayed by the Second and nominally subordinate Chamber, compelling the country to pronounce a second verdict in addition to the first. That is all they have to offer on the other side, and I venture to say our plan holds the field. Ours is not a plan for Single-Chamber Government. It is not put forward, as is sometimes represented, as though verbally inspired. It is not presented—as I said myself in the House of Commons in moving the Veto Resolutions—as a final solution of all our Constitutional problems. But it is submitted to the country as what is necessary, as the least that is necessary here and now, if we are to make real progress with any of the great enterprises, whether of social or political change, to which the Liberal Party stands committed.

“American Dollars” and Home Rule.

In a speech I made at the Albert Hall nearly a year ago I dwelt on some of the causes that we believe are in our keeping. I adhere to everything which I said then. I spoke of Welsh disestablishment, the abolition of plural voting, of a better licensing system, of a truly national education. I spoke, and—in view of the shameful things which are being said, I feel bound to emphasize that point—I spoke of our views of the proper solution of the problem of Irish self-government. What I then said I repeat; to it I adhere, and I believe the Liberal Party adheres. I do not in the least grudge the Tory Party any electioneering capital that they can extract from Mr. Redmond's American dollars. The American dollars would seem to be, in a substantial proportion at any rate, contributed by our Canadian fellow-subjects. But whether they are subscribed by that great Imperial statesman, Sir Wilfrid Laurier, or by the poorest Irish exile in Chicago or Milwaukee, I see no cause for shame either in those who give or those who take. There is, indeed, a great deal of significance in it. In our efforts to secure self-government for Ireland in the future—efforts which I hope will be followed by further efforts to set free the Imperial Parliament from much of the local work which congests its machinery and which of necessity it does so ill—we shall have with us I believe the sympathy of the overwhelming majority of the great Dominions overseas, who have learned how easy it is to combine local autonomy with Imperial loyalty. But for the moment, and this shall be the last thing I say to you, let us concentrate on the first and the greatest task, the task that lies right to our hands, the task that we are pledged to perform, the task of winning fair play for Liberal legislation and of securing for our people through their own chosen representatives the power of making and of moulding the laws under which they live.

Thanks to Mr. Asquith and Confidence in the Government.

SIR EDWARD EVANS proposed the following resolution:—

"That this meeting accords its warmest thanks to Mr. Asquith for his presence and speech to-night, assures him and his colleagues in the Ministry of the whole-hearted confidence of the Liberal Party, and pledges itself, and the Liberals of the English and Welsh constituencies represented here to-night, to follow and support him in any and every step necessary to secure that representative Government in this country shall be a reality and not a sham."

He said they had absolute confidence in their leader, and he could assure their leader that he had an absolutely united party. He had been engaged in political life for a great number of years, and he had attended those meetings of the Federation now for over twenty years, and he could say that they were absolutely a party of progress, and they were absolutely united in the measures referred to by the Prime Minister that evening. What they now had to decide was that the will of the people must prevail. It was for them to say whether in an old country like this they were going to leave the Lords just as they were. He thought they should—but take away all the powers from them. He was glad to say he had never found the constituencies so ready for action. Never had they had a better cause to fight for, and the result of the coming victory would be the carrying into effect of those reforms for which they had worked, and which had hitherto been frustrated by the hereditary House. At last they saw the light, and their patience was to be rewarded.

MR. T. R. FERENS, M.P. (East Hull), deemed it a great honour to second the resolution. He would remind them that they were called upon, as representing all the constituents nearly throughout England and Wales, to do their utmost to return to power that party that served under their distinguished visitor, Mr. Asquith, whom they had had with them that night. He was sorry that the Federation meetings had been split in twain, but they were compensated by having such a great lead given to them that night by their great and beloved leader, Mr. Asquith, on the very eve of the election. If all the Central Hull Liberals who were there that night would put their backs into it, before many days were over Dr. Aske would be the member for Central Hull. They had very little doubt as to what the result was going to be. When they wanted candidates for Liberal seats in Hull, they could find them in the city. It would rest with the Hull electors to say whether they were going to have three Cockneys or three Hull lads. They must not be side-tracked. In this election they had one great question to decide, and they must not let any red herring be drawn across their pathway. It was absolutely essential for them, if they were to secure the reform for which they had been working so hard, the social and the electoral reforms, to get this impediment out of the way, and it was for them to say whether they were going to say in this city that they were going to have their freedom. He believed they would.

They were going to give their great leader a stronger—and he had a strong one already—House of Commons to support him in his great measure which he introduced in order to deal with the final veto.

The HON. GUY WILSON, M.P. (West Hull), in supporting the resolution, said that the Prime Minister had sounded such a trumpet call as had never been heard in Hull before. A week or two ago they heard a penny trumpet, a squeaking at the Reveille meeting of the “knockers-up.” The “knockers-up” of the Tory Party were those great patriots who knew a great deal more about the needs of this country than any of their fellow-countrymen. They were the Big Englanders, the big navy men; they understand all about the army, but what they did not know was this: He (*Mr. Wilson*) was an old soldier, and he knew that the Reveille was not sounded at 8 p.m.—it was sounded at 6 a.m. They were up fourteen hours too late. The Tory Party generally were too late. The answer of Hull to the Reveille of those “knockers-up” would be to sound “The Last Post” that was the last call over the political graves of those three strangers who had come to try and defeat three Hull men, all three Yorkshiremen, in the contest that was to be decided the week after next. He had been about Hull—certainly about his own constituency—a good deal in the last week or two, and he had never before in his experience seen such a whole-hearted enthusiasm for Liberalism in all the wards of his constituency. That was not only the spirit in Hull, but it was the spirit right throughout the country, and if it was necessary to rouse enthusiasm, if it was necessary to sound a battle-cry, then the Prime Minister had sounded it there that night. He did not know whether anyone was present who did not understand their case against the House of Lords; if there were such person he must know what it was now. He could give an answer in a most undisputable manner in any argument with a Tory. He believed the country was going to do very much better than eleven months ago. He personally believed that they would do nearly as well as in the General Election before last. He believed that for two reasons. He granted that the Tory Party were trying to get up a little enthusiasm and trying to make themselves believe they were confident of victory, but why they should be more confident than eleven months ago he did not know. They were no more united, they had just as many leaders—nay, they had more leaders and more policies than last election. Such was the case, and he believed they would go down in the polls before them even as they did in the General Election before last. When they compared the state of the Tory Party at the present time and the state of the Liberal Party they would say the Liberals were more united, standing shoulder to shoulder under a leader of whom they were proud—a leader who knew his own mind, a leader who had a mind of his own. They (*the Liberals*) knew what they wanted, and were determined to get it. In the first place, they wanted fair play. Every Yorkshireman liked fair play. They had not had fair play up to

now. They would not get fair play until the question of the House of Lords was settled. That question was going to be settled by compelling the House of Lords to swallow their Parliament Bill. The present times were times of reform and progress, and what they did to-day was what the Tories would be thinking about five years hence. He could tell them why. No country could stand still. A country had either to progress or go backward. The progress of this country had consistently been in the shape of social reform. Every right-thinking man desired to raise up and improve the status of his fellow-men. That was the policy of the Liberal Government. It was for that reason that the Liberal party desired to be returned to power. The Tories had got nothing to put against that policy. All they were attempting was to side-track the people by starting scares. At the present time there were two scares, the navy scare and the scare about confiscation and robbery. They were hoping to frighten the moderate men in this country. It was the moderate man that the Liberals appealed to. They appealed to him because it was absolutely essential that social reform should go on. The only question was how fast or how slowly should they progress with their social reform. The Liberal Party took the middle course, and only went in for social reform as they felt the people were ripe and ready for it. It was for that reason that they appealed for the vote of the moderate man in this country. Hull had always been for freedom and for liberty, from the days of the De la Poles and Wilberforce down to the present time. Hull depended upon Free Trade and free imports, and the answer of Hull to the magnificent battle-cry which had been given to them by the Prime Minister that night was that Hull should return, for the first time, three Liberal members to Parliament.

The resolution was carried unanimously and enthusiastically.

Vote of Thanks to Chairman.

The RT. HON. ALEXANDER URE (Lord Advocate) said that with the voice of his chief ringing in their ears he would intervene only for one moment. He desired, however, to move a vote of thanks to their chairman, the future Member for Central Hull. They met that night, not only on the eve of the most memorable election in the experience of the oldest and most experienced politician in that hall, but he was satisfied also that they were on the eve of a great Liberal victory. They had never been defeated except when there were divided cries from their ranks and divided counsels among their chiefs. To-night they were suffering from the prevailing ailment of the peers—we seem to be all of one mind. They were fortunate in having at that memorable election one question and one question only to consider, one danger and one danger only to face. If only the attention of their people could be riveted upon the one supreme issue, victory was certain and defeat was impossible. The Prime Minister on behalf of the party asked only for justice and fair play—nothing more and nothing less. Mr. Asquith only asked that the Second Chamber should treat him and his colleagues

exactly as it treated Mr. Balfour—that the same measure that was meted out to them should be meted out to the Liberals. They demanded nothing more and they would take nothing less. They had no objection to the peers as peers, if they would only stand out of their way as they stood out of the way of their opponents. Granted that, the peers might take their places, for aught he cared, and endure as long as the everlasting hills. At the eleventh hour and on the stroke of the twelfth they had shown signs of repentance. He wished them the best of luck in the reconstruction of their House. May the new edifice last long and serve them well. But it was no answer to the Prime Minister's demand. Was there a single fair-minded man in Hull, he really did not care to what political party he belonged, who would deny the justice of their claim? Their duty was simple; they had to strike without flinching or faltering, and if they worked hard they would not need to strike a second blow. Might their great victory in Hull be crowned and signalled by sending a solid representation to Westminster to support the Prime Minister, and that meant that their chairman, whom they so gratefully thanked for his services, would be made a member and representative for a great constituency. He congratulated them upon having found him, and he congratulated Dr. Aske upon having found them, and he hoped that the ties which would be cemented between them would last as long as Dr. Aske's public life endured.

SIR J. COMPTON-RICKETT, M.P. (Yorkshire—Osgoldcross), in seconding the resolution, said Dr. Aske did not want their vote of thanks, but their votes. Tariff Reform had not gone forward one jot. They had been told that certain taxes on wheat, &c., would be compensated for by the reduction of those on tea and sugar, but he thought the Liberal Party were pledged to repeal all taxation on tea and sugar as soon as the senseless competition in Dreadnoughts came to an end.

MR. ELLIS GRIFFITH, M.P. (Anglesey), in supporting, referred to the tariff trips to Germany. In January the Tories were tripped in arithmetic, and in July they were tripped in Germany. With courage and concentration they would achieve the greatest victory that had ever been known in the history of the Liberal Party.

The resolution was carried unanimously.

DR. ASKE, in responding to the vote of thanks, said, let them have for their watchwords, "Progress, Liberty, and Reform." They were moving along the path of progress. First they had come across the old people whom they had lifted into the position of State pensioners. They had gone further along the path, and they had come across the poor old people in receipt of relief—and now they were going to their dear old homes. The Liberal Party did not give charity; it gave the poor their rights. They went further along the path, and they assisted workmen injured in their work, and they looked after the little children. They would not rest until in a few days they took one great step to the final emancipation of their own country.

OVERFLOW MEETING.

A crowded and enthusiastic overflow meeting was held in the Assembly Rooms, over which Mr. Marriott Morley, J.P., presided.

The CHAIRMAN, in a brief speech, said that he had authority from Dr. Aske to say that he would go to the poll again in Central Hull.

MR. URE said they were on the eve of not only the most memorable election in the history of this country, but also of a great victory, for now they had a cause that was absolutely unassailable. No man, no matter what his politics were, could for a moment challenge the justice of the claim which the Prime Minister was making in the City Hall. His claim was that the second Chamber should give him and his colleagues a fair chance. Nothing more. Though he asked nothing more, he would take nothing less. They were told that Ireland alone knew what it wanted at a General Election. That was an election on ideal lines. The question Ireland always discussed was: "Should she be governed by herself, or have others to manage her affairs for her?" That was what they had to decide that night. He might say at once, on behalf of his Majesty's Government, that they did not want at that election the support of any man who thought he would rather not be the citizen of a free country, who thought he would rather not take the responsibility of managing his own affairs, and would rather have somebody else to look after them. They did not want at this election any poor spirited man, they did not want the support of any man who was not proud of being a citizen of a free country. What they did claim was the support of any man in that country who was proud of his citizenship, and was determined he would continue to be a member of a free and self-governing community. When a Liberal Government was in power, with however large a majority and young a Parliament, it could only pass such measures as the House of Lords was graciously pleased to allow them to pass, but when a Tory Government was in power, with however small a majority and however old and stale a Parliament, they could pass any measure they chose without a single protest of any kind. The Liberals were in the hands of a permanent Tory majority in the second Chamber. It was quite right that when the majority of the constituencies voted Tory there should be a Tory Government, and that the Tory Government should be able to pass what measures they pleased. All that the Liberals asked was that when they had a majority of the constituencies voting Liberal, the Liberal Government should have the same right to pass their Bills as the Tories. They had endured for many long years the injustice, the influence, and the undue pressure of a second Chamber, and they were going to endure it no longer. This election would end, once and for all, the claim of privilege to dominate the democracy of this country. During the past five years Mr. Balfour had been the master of the

situation, even as he had been during the time that he was Prime Minister. Why was this? Because he had the second Chamber in his pocket. It was not fair. He did not care what their politics were, they were citizens of a free country, and they could not uphold such a Constitution. He would tell them the remedy. The country wanted a second Chamber, but a second Chamber which was suitable for the needs of a self-governing country. They did not wish to disfranchise the peers, and they would allow them to vote in the polling booth, and get a seat in the House of Commons if they could find constituents who would be willing to vote for them. The duty of an Upper Chamber was the revision of Bills, and that required clever experts. The House of Lords did not consist of experts, and their best friends could not say they were clever. If the Veto Resolutions were carried, the second Chamber would be left with valuable powers if they could exercise them with wisdom, discretion, and grace. He had been ten years in Parliament, and, during the first five years, the Lords had mangled no Bills and strangled no Bills, for they were sent by a Tory Government. For all that one heard of them, they might have left the kingdom, or, like the princess in the fairy tale, have fallen into a sound and unbroken slumber. Then came the flood, and the Tory Party were drowned out, but there still continued a single-Chamber Government, but, instead of it being a Government of the representatives of the people, it was a single-Chamber Government of those who represented no one but themselves. Mr. Ure then proceeded to deal with Lord Lansdowne's proposal that any Bill of gravity, or that had been inadequately before the country, should be dealt with by a joint committee of the two Houses, and then, if no satisfactory conclusion could be arrived at, it should go before a Referendum. What was a Bill of "gravity"? A Liberal Bill that the peers did not like. What was a Bill that had been inadequately submitted to the judgment of the country? A Liberal Bill which the peers did not want to pass. The Liberals claim was unanswerable. They must strike now, and strike hard, and they would never need repeat it.

MR. ASQUITH, *who was enthusiastically received*, said:—"Ladies and gentlemen, this is not part of the bargain under which I came to Hull, and, until a few moments ago, I was not aware that there was this vast gathering of the electors of this city waiting for a few words from me; but you will forgive me if they are very few, for I have spoken at considerable length in the other hall, and I have many engagements in front of me, and, therefore, I am obliged to husband such resources as I possess. I am less concerned so far as this particular meeting goes, because I know you have already had the great pleasure of listening to my right hon. and learned friend, the Lord Advocate. There is no man in England or Great Britain who more readily or more deservedly commands the ear of great popular audiences, and from him you will, I am certain, have received a lucid and masterly exposition of the case which we

are presenting to the country. You may ask—every citizen is entitled to ask—how it is that within less than a year we have been exposed again to the manifold inconveniences and expense, the turmoil and agitation, of a General Election. The answer is a very simple one. You are being called upon, for the second time within twelve months, to record your votes at the ballot box because we want the final settlement of a question which, until it is settled, blocks the whole road for progressive reform legislation. I said a year ago, before the General Election of last January, that the Liberal Party could not assume the responsibility of initiating social and political legislation under existing conditions. You have no right to ask the electors to go to the trouble of recording their votes, and to ask their representatives to sit week after week, and month after month, at Westminster supporting and discussing and amending great proposals, either of political or social change, when both elector and his representative have at the back of their minds the knowledge that their votes will be thrown away, their time and labour will be thrown away, unless they can bring their wishes and their demands into harmony with the opinions of a non-representative and irresponsible Chamber. That is a problem, which through no desire of our own—we have not courted this issue—we have been compelled to face, and we cannot as self-respecting statesmen, and you as Liberal electors, and as a self-respecting political party, cannot consent to go on any longer fighting with your limbs fettered, and manacled by this perpetual impediment in the way of free political movement. We are really, then, in this struggle carrying on the great Liberal traditions. Just as our fathers and grandfathers, by the abolition of what used to be called rotten boroughs, and by the extension of the franchise, first to the middle classes and then to democracy; just as our fathers and grandfathers installed the people in power, and converted this country from an aristocratically governed into a democratically governed country, so we, in our turn, if our work is not to be made wholly unavailing, and if we are to have a reality and not a caricature of democracy, we must continue and complete what they began, and make the people, through their representatives, really and effectively supreme in the legislation of this country. That is what the Government are asking for your authority to do at this election. All other issues, grave, multifarious, serious as they are, all other issues are subordinated to this, because this is the key to the gate. Once place that key in our hands, we will unlock the gate, and the road will be open. You have got a very good opportunity here in Hull. You are rather late in the field, you will not be able to set an example, but you will be able to follow, and, perhaps, to better a great many good examples which by that time, I hope, will have been set. You have got three seats here, two in the possession of Liberal members, who have proved their title to hold what you gave them a year ago. The third you came very near to winning. Take care you do it this time. The margin is a

very small one, and a very few votes will turn the scale, and mind you return Dr. Aske. If you do that, I can assure you, ladies and gentlemen, I shall think that my visit to Hull has not been in vain, and that is far the most agreeable form in which you can express to me any acknowledgment you may desire to convey for our meeting to-night. I am not able to say any more to you, but I wish you to carry away these few words, to realise the gravity of the issue you have now to determine. This is no ordinary election; it is an election such as does not occur more than once in the political lifetime of any one of us. Realise the gravity of the issue, and acquit yourselves like good men and good Liberals.

Confidence in the Government.

MR. SYDNEY ARNOLD (candidate for the Holderness Division) moved a hearty vote of thanks to Mr. Ure for his address, and expressing confidence in the Government. He said the Prime Minister and Mr. Ure had done their part, and it was for them—the rank and file of the country—to do their part, and they would do it. They had never had a better cause to fight for than they had to-day. In the division of Holderness, which he was fighting, the prospects were never brighter, and they were confidently anticipating striking a blow for Free Government and Free Trade.

MR. NORRIS (candidate for the Howdenshire Division) seconded the resolution. He asked that after they had returned Dr. Aske for Central Hull, to give Mr. Arnold and himself a helping hand in Holderness and Howdenshire.

MR. G. J. BENTHAM, M.P., supported the resolution, which was carried unanimously.

Mr. Marriott Morley was thanked for presiding, on the motion of MR. T. BELL.

THE PEERS

AND

THE FINANCE BILL:

IS THEIR ACTION CONSTITUTIONAL?

"That the action of the House of Lords in refusing to pass into law the financial provisions made by the House for the service of the year is a breach of the Constitution and a usurpation of the rights of the Commons."

Resolution of the House of Commons, December 2nd, 1909.
(Carried by 349 to 134.)

"It is the House of Commons, not the House of Lords, which settles, UNCONTROLLED, our Financial System."

MR. BALFOUR,
at Dumfries, October 6th, 1908.

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NOTE.

The bulk of what follows has already been issued as a pamphlet, and, in re-issuing it in a slightly fuller form after the actual rejection of the Finance Bill, we can confidently claim that the propositions it lays down have been amply justified by the course of the debates in the House of Lords on the Second Reading of the Finance Bill and in the House of Commons on the Prime Minister's declaratory resolution on December 2nd.

(1)

From the Lords' debate we need only quote what was said by Lord Balfour of Burleigh and Lord James of Hereford. Lord Balfour of Burleigh, declaring that the Peers in rejecting the Finance Bill made a "new claim," said:—

"Usage had made the House of Commons supreme in two matters—it was admittedly supreme in its control of the Government of the day and in its control of financial matters. Those two things went together. They could not be separated. But if the other House was supreme in those matters there were limitations to its supremacy. It was supreme only for the time of its life. It had been said that the people were supreme over both Houses, and that the motion of the noble Marquis was in effect a referendum to the people on the point of finance. Whatever might be the advantages of a referendum it was impossible as a matter of practice in financial questions. Finance differed from all other legislation in that respect. If a Bill was rejected either by vote of that House or by disagreement between the two Houses the *status quo* which existed before the Bill was proposed survived and remained. It was not so with finance. If they were to originate a system by which that House or any other authority had the right of establishing a referendum they would destroy the control of the other House of Parliament over the Government, and would make perhaps the most momentous change in the Constitution as it had grown up. If they passed that resolution, if they made a precedent—he cared not what safeguards accompanied it, though they said it was only to be done on extreme occasions—they would make a change in the practice and in the Constitution which would prevent things going on as they had gone on hitherto. If they won the victory it could at most be only a temporary one. If they lost they would have altered and prejudiced the position, the power, the prestige, and the usefulness of that House which he believed every one of their Lordships honestly desired to serve as heartily and thoroughly as he did himself. If they won they would not be beginning a conflict, but re-making a conflict which had gone on from year to year, from century to century, until the House of Commons had attained the position which it enjoyed by usage at the present time."—(*House of Lords, November 25th, 1909.*)

Lord James of Hereford said that the House of Lords, in throwing out the Budget, was doing what no other House of Lords had ever ventured to do:—

“The Budget Bill was unlike any other measure. It embodied money grants made in response to the appeal of the Crown, not to both Houses, but exclusively to ‘Gentlemen of the House of Commons.’ At the end of the Session the Crown thanked the Commons for the Supplies, but offered no thanks to the Peers, and the Budget Bill was retained in the Speaker’s hands until it received the Royal Assent, whereas other measures were left in the possession of their Lordships when they had passed both Houses. There was no one with greater knowledge of the Constitution or of questions affecting the freedom of the people than Lord John Russell, and when the House of Lords rejected the Paper Duty Bill in 1860 he said that for two hundred years there had not been an instance of the House of Lords having exercised such a power, that according to all former practice of the Constitution the whole question of granting Supplies lay in the House of Commons, and that the result of such conflicts between the two Houses would be utter confusion to our finance. Their Lordships claimed the right to reject this Bill. If that was within their competency it had been for centuries equally within their right, and it was their duty to reject Bills which they considered bad. Why had that duty for centuries been neglected and not fulfilled? It was the duty of the Chancellor of the Exchequer to form an estimate on which to base his Budget, and each tax depended on the necessity for its imposition, but the House of Lords had not power to form an estimate, and were without any information on which to form an estimate. It was said that this was an exceptional Bill, and contained multifarious subjects. If there were tacked on to a Finance Bill other Bills containing matter alien to finance that House had a perfect right to take exception to such a course, but they were not going to reject this Bill on the ground of tacking, and whether they postponed its operation for three months, for six months, or until a General Election, they were equally rejecting it. By the adoption of Lord Lansdowne’s amendment the question of the acceptance or the rejection of this Bill would be left to the electorate, who had no knowledge of Parliamentary practice in such matters, which must be a question only for Parliament itself. During the coming struggle there would be many students and many readers who would find that the conclusive balance of authority was against the competency of the action their Lordships were about to take.”—(*House of Lords, November 30th, 1909.*)

(2)

The reply of the House of Commons to the action of the Lords was to pass, on December 2nd, by a majority of 215 (349 to 134), the following resolution:—

“That the action of the House of Lords in refusing to pass into law the financial provision made by this House for the service of the year is a breach of the Constitution, and a usurpation of the rights of the Commons.”

The Prime Minister, in the magnificent speech in which he moved this resolution, swept aside with scornful indignation the trivial sophistry that the House of Commons, in insisting upon its rights, was taking its stand upon the "antiquarianism and sophistry of lawyers"—

"I saw a speech the other day—I think it was by the right hon. member for East Worcestershire opposite—in which he derided the distinction which was drawn by the Lord Chancellor between that which is legal and that which is constitutional, and he said that it was the antiquarianism and pedantry of lawyers which left him quite cold. It was pedantry of this kind, the pedantry which realises and dwells upon the distinction between the genius and the spirit of our Constitution on the one side, and the bare and barren letter of the law on the other, it was pedantry of this kind that made and saved the liberties of England. It was pedants like Pym, Selden, and Somers who rescued this House largely through the power of the purse from the domination of the Crown; and we need not be ashamed to be called by the same name and to bear the same reproach while acting in the same spirit and using largely the same methods we put an end to the usurpations of the House of Lords."—(*House of Commons, December 2nd, 1909.*)

We have only room for one other quotation from the Prime Minister:—

The House of Lords has deliberately chosen its ground. They have elected to set at nought, in regard to finance, the unwritten but time-honoured conventions of our Constitution. In so doing, whether they foresaw it or not, they have opened out a wider and a more far-reaching issue. We have not provoked the challenge. We believe that the first principles of representative government, as embodied in our slow, our ordered, but ever-broadening developments, are at stake, and we ask the House of Commons by this resolution to-day, as, at the earliest possible moment we shall ask the constituencies of the country, to declare that the organ and voice of the free people of this country is to be found in the elected representatives of the nation."—(*House of Commons, December 2nd, 1909.*)

No Liberal could wish for better marching orders in the great constitutional struggle on which he is now called upon to take part.

The Peers and The Finance Bill.



What are the powers of the Lords with reference to a Finance Bill embodying the Budget proposals? We claim, without hesitation, that the following three propositions may be laid down in the matter —

- (1) **The Lords have no constitutional right* to amend a Finance Bill (or, indeed, any kind of Money Bill), and any such amendment would be declared by the Speaker to be a breach of the Commons' privileges.**
- (2) **The forms still exist by which the peers are able to reject a Finance Bill—i.e., they can refuse to read it a second time.†** In precisely a similar way the forms exist by which the Sovereign can reject any Bill—i.e., by refusing to give his assent to it. The Sovereign and the peers, that is to say, have certain rights, which it is unconstitutional for them to exercise.
- (3) **To use these forms to reject a Finance Bill, as the Peers have now done in the case of the Finance Bill of 1909, is unconstitutional and destructive of the whole basis of our Constitution in the matter of finance.**

We proceed to give some quotations which make good these propositions.

* It is vital to remember that the question is not one of *legal*, but of *constitutional* right. The peers may, and no doubt have, legal rights which it would be unconstitutional of them to exercise. See No. (2) for an explanation of what is meant.

† The articular form of this refusal is a matter of no moment. Unless the Finance Bill is read a second time it is, for all practical purposes, rejected.

The House of Commons Resolutions of 1671 and 1678.

The Resolution of 1671 affirmed—

“That in all aids given to the King by the Commons, the rate of tax ought not to be altered by the Lords.”

The Resolution of 1678 asserted—

“That all aids and supplies to His Majesty in Parliament are the sole gift of the Commons: and all Bills for the granting of such aids and supplies ought to begin with the Commons, and that it is the undoubted and sole right of the Commons to direct, limit, and appoint in such Bills the ends, purposes, considerations, conditions, limitations, and qualifications of such grants, which ought not to be changed or altered by the House of Lords.”

The House of Commons Resolutions of 1860.

Resolutions of 1860, passed in connection with the struggle over the Paper Duty:—

1st. “That the right of granting Aids and Supplies to the Crown is in the Commons alone, as an essential part of their Constitution; and the limitation of all such Grants, as to the matter, manner, measure, and time, is only in them.

2nd. “That, although the Lords have exercised the power of rejecting Bills of several descriptions relating to Taxation by negating the whole, yet the exercise of that power by them has not been frequent, and is justly regarded by this House with peculiar jealousy, as affecting the right of the Commons to grant the Supplies, and to provide the Ways and Means for the Service of the year.

3rd. “That to guard, for the future, against an undue exercise of that power by the Lords, and to secure to the Commons their rightful control over Taxation and Supply, this House has in its own hands the power so to impose and remit Taxes, and to frame Bills of Supply that the right of the Commons as to the matter, manner, measure and time, may be maintained inviolate.”

Sir Erskine May.

The following extract from Sir Erskine May’s “Parliamentary Practice” (pp. 648-650) clearly explains the constitutional position:—

“The functions of the House of Lords, in matters of supply and taxation, being thus reduced to a simple assent or negative, it becomes necessary to examine how far the latter power may be exercised, without invading the privileges of the Commons. The legal right of the Lords, as a co-ordinate branch of the legislature, to withhold their assent from any Bill whatever, to which their concurrence is desired, is unquestionable; and, in former times, their power of rejecting a Money Bill had been expressly acknowledged by the Commons; but the Lords had for

centuries forborne to exercise this power. They had, indeed, rejected numerous Bills concerning questions of public policy, in which taxation was incidentally involved; but Bills exclusively relating to matters of supply and ways and means they had hitherto agreed to respect. At length, however, in 1860, the Commons determined to balance the ways and means for the service of the year, by increasing the property tax and stamp duties, and repealing the duties on paper. The increased taxation had already received the assent of Parliament, when the Lords rejected the Paper Duties Repeal Bill, and thus overruled the financial arrangements voted by the Commons. That House was naturally sensitive to this novel encroachment upon its peculiar privileges; but as the Lords had exercised a legal right, and their vote was irrevocable during that session, it was judiciously resolved, after full inquiry and consideration, to maintain the privileges of the House, not by vain remonstrances, but by an assertion of its paramount authority in the imposition and repeal of taxes, at once dignified and practical. Accordingly, on the 6th July, resolutions were agreed to (for text see preceding page).

"The significance of these resolutions was illustrated in the next session, when the Commons, without exceeding their own powers, were able to repel the recent encroachment of the Lords, and to vindicate their own financial ascendancy. They again resolved that the paper duties should be repealed; but instead of seeking the concurrence of the Lords to a separate Bill for that purpose, they included the repeal of those duties in a general financial measure, for granting the property tax, the tea and sugar duties, and other ways and means, for the service of the year, which the Lords were constrained to accept. The financial scheme was presented for acceptance or rejection, as a whole; and in that form, the privileges of the Commons were secure. And the Budget of each year has since been comprised in a general and composite act.

"Nor was there anything novel or unprecedented in this proceeding. In 1787, Mr. Pitt's entire Budget was comprised in a single Bill, and during the French war, great varieties of taxes were imposed, and continued in the same Acts. For several years after the peace, the duties on malt, sugar, tobacco, foreign spirits, pensions, and personal estates, were continued annually in a single Act, until these duties were gradually made permanent."

Sir William Anson.

Sir William Anson, in his well-known work on the Constitution, says* :—

"Legislation which has for its object the grant of public money or the imposition of burdens upon the taxpayer possesses some special features which require to be specially noted.

"In the first place, such legislation is under the entire control of the House of Commons.

"A Bill relating to Supply must begin in the House of Commons. It is formulated there, and though it needs the concurrence of the Lords, it cannot be amended by them on its way to receive the royal assent."

* "Law and Custom of the Constitution, Part I., Parliament," at page 265 of the Third Edition.

William Pitt.

In the Parliamentary debates on the question of American taxation, Pitt made the following solemn declaration :—

“Taxation is no part of the governing or legislative power; the taxes are a voluntary gift and grant of the Commons alone. In legislation the three states of the realm are alike concerned, but the concurrence of the Peers and the Crown to a tax is only necessary to clothe it with the form of a law. The gift and grant is of the Commons alone. . . . The distinction between legislation and taxation is essentially necessary to liberty.” . . .—(*House of Commons, January 14th, 1766.*)

The Duke of Wellington.

The Duke of Wellington, speaking on the Corn Law Repeal Bill in 1846, said :—

“This measure was recommended by the Speech from the Throne, and it has been passed by a majority of the House of Commons, consisting of more than half the members of that House. But my noble friend said that that vote is . . . inconsistent with the supposed views of the constituents by whom they were elected. My Lords, I think that is not a subject which this House can take into consideration. . . .”—(*House of Lords, May 28th, 1846.*)

It is worth noting that in the same debate Lord Lansdowne (the present peer's grandfather) said :—

“It was sufficient for him that they (*the House of Commons*) had altered their minds, and that their supporters had altered their minds also; he took the decision of the House of Commons as he found it, and received it as the undoubted decision of the representatives of the people.”—(*House of Lords, May 28th, 1846.*)

Lord Rosebery.

From Lord Rosebery's speech in the House of Lords on the first reading of the Finance Bill of 1894 :—

“I do not think that it is necessary, for the purpose of passing the Bill, that they should make themselves masters of it, because I deprecate altogether the idea that the House of Lords has anything to do with Money Bills. Any discussion on it must obviously be academic, and therefore I should have thought ‘the least said, the soonest mended,’ with regard to this measure.”—(*House of Lords, July 19th, 1894.*)

The Late Lord Salisbury.

(a) The late Lord Salisbury, in the Lords' debate on the Finance Bill of 1894, said :—

“It is perfectly obvious that this House, in point of fact, has not for many years past interfered by amendment with the finance of the year. The reason why this House cannot do so is that it has not the power of changing the Executive Government; and to reject a Finance Bill and leave the same Executive Government in its place means to create a deadlock from which there is no escape. If the

House of Commons had rejected this Finance Bill during the present month there would no doubt have been considerable inconvenience, but at least another Executive Government would have been provided whose duty it would have been to have suggested an alternative for making provision for the year. But if this House were to reject a Finance Bill, or to amend it so that the House of Commons would reject it, as the same Executive Government would remain in office there would be obviously the greatest inconvenience in dealing with the public finance.”—(*House of Lords, July 30th, 1894.*)

(b) In the House of Lords, in 1895, Lord Salisbury called attention to a speech made by Lord Rosebery in the country, containing the following passage:—

“If you carry the annihilation of the House of Lords as regards the legislative preponderance which puts our party in manacles, you will have gone not half but three-quarters of the way to carrying your other reforms.”

In commenting on these words Lord Salisbury said:—

“Legislative preponderance! This House, by custom, takes no share whatever in the votes by which Governments are displaced or inaugurated, and it takes no share whatever in that which is the most important part of the annual, constant business of every legislative body—viz., the provision of funds by which the public service is to be carried on, and the determination of the manner in which these services are to be carried on. In regard to these matters it takes no part whatever.”*—(*House of Lords, July 6th, 1895.*)

Lord Lansdowne.

Lord Lansdowne, in 1908, in ordering the Peers not to reject the Old Age Pensions Bill, said:—

“The arguments seem to me to be conclusive against it. We are confronted, in the first place, with the unanimous resolution of the House of Commons in 1906, which the noble lord put in the forefront of his argument. Then we have to take into consideration the fact that this Bill, though not, strictly speaking, a money Bill, is essentially a Bill of a financial complexion. It, indeed, forms part of the financial arrangements of this year proposed by his Majesty’s Government. Then we have also to bear in mind the fact that it has been supported by colossal majorities in the House of Commons, and that when the sense of the House was taken on the second and third readings, only a small forlorn hope amongst those who usually act with us were

* In view of his present attitude, Lord Rosebery’s reply is interesting:—

“I will tell the noble marquis what I mean by legislative preponderance. What I mean by that is that there are in this House 500 peers who are fixed in this House for the purpose of resisting Liberal legislation. The House of Commons can be changed; it is frequently changed; but, as a matter of fact, this House knows no change, and, whatever may be the result of the next General Election, whether it returns 600 Liberals or six Liberals to the House of Commons, no change will be effected as far as this House is concerned. The circumstances will remain the same, and you will have 500 peers on one side of the House pledged to resist any measures that a Liberal ministry may propose. I say that the state of things which I have described constitutes a fixed legislative preponderance.”—(*House of Lords, July 6th, 1895.*)

found ready to go into the lobby against it. In these circumstances it seems to me that, however much we may dislike this Bill, we should gain nothing by rejecting it or delaying its progress. Were we to do so it is impossible to conceive that his Majesty's Government should not bring the Bill back to this House again next year. But a great deal would happen in the meantime. I have no doubt that noble lords opposite and their friends would seize with avidity the opportunity of representing your lordships as having attempted to rob the people of this country who are aged and deserving of the kind of assistance which most of us would be glad that, in some form or other, they should receive; and the difficulty would be increased for us by the fact that we should be represented, not without some *primâ facie* justice, as having endeavoured to encroach upon that well-established privilege of the House of Commons which gives to that House almost undisputed control over the finances of the country."—(*House of Lords, July 20th, 1908.*)

Mr. Balfour.

From Mr. Balfour's speeches during the present Parliament:—

1906.—"The House of Lords, as you all know, does not interfere with the general financial policy of the country."—(*Manchester, October 22nd, 1906.*)

1907.—"I do not at all deny that this House is the predominant partner. By the practice of the Constitution it undoubtedly is so. Just see how great are the powers which this House possesses which the other House neither possesses nor claims to possess! . . . We all know that the power of the House of Lords, thus limited, and rightly limited, as I think, in the sphere of legislation and administration, is still further limited by the fact that it cannot touch those money Bills which, if it could deal with, no doubt, it could bring the whole executive machinery of the country to a standstill. The conclusion I wish to press on the House, and which is all-important in this matter, is that under our existing system you have two Chambers which are not of equal power, which are not of equal authority, which cannot come into serious conflict in the whole field of administration, in the whole field of the initiation of legislation, or in the whole field of that legislation which deals with finance. Of course, these things being true, it is true that the House of Lords is a subordinate partner to the House of Commons."—(*House of Commons, June 24th, 1907.*)

1908.—"It is the House of Commons, not the House of Lords, which settles uncontrolled our financial system"—(*Dumfries, October 6th, 1908.*)

The Preambles of Money Bills.

The preamble of every Bill granting taxes and duties to the Crown begins with the statement "that the Commons"—not, be it noted, the Lords and Commons—"of the United Kingdom have freely and voluntarily resolved to give and grant unto His Majesty the duties mentioned." Those words have appeared in the forefront of every such Bill ever since the year 1628, when upon the report of a committee (which included Coke and Selden) the mention of the Lords was deliberately omitted, and the grant declared to

proceed from the Commons and the Commons alone. The Lords took exception to the omission, but the Commons protested, and thus established a precedent which has never since been departed from.

The King's Speech.

Every King's Speech is to "My Lords and Gentlemen," but the paragraph in the middle as to taxation is to "Gentlemen of the House of Commons."

Mr. Gladstone and the Financial Power of the House of Lords.

Supporters of the House of Lords are fond of quoting the following passage from Mr. Gladstone:—

"It is said on all hands that the House of Lords do not claim the power of amendment. That is commonly stated, but is not literally true. The House of Lords have never given this up—and I must say I think they are perfectly right in declining to record against themselves this limitation of their privileges, because cases might arise in which, from the illegitimate incorporation of elements not financial into financial measures it might be wise and just to fall back on an assertion of the whole breadth of their privileges. I believe I am strictly correct in saying that the House of Lords have never abandoned by any corporate act of their own that which can bring them the right of making amendments in a financial measure. But though the House of Lords have not abandoned it, speakers in the House of Lords, the authorities in the House of Lords, and the representatives of it have; and they admit that the power of amending the financial measures of the House of Commons is a power which they do not hold."—(*House of Commons*, May 16th, 1861.)

But this is, in reality, only what everybody admits—that the Constitution is one to be extracted from custom, and not from legal rights; the passage as to "illegitimate incorporation of elements not financial" only says the Peers have the right to object to "tacked" matter, as to which see page 13.

The authority of Mr. Gladstone is dead against the House of Lords, for it was he who fought and defeated that House in 1861 by the device of sending up all the taxing Bills together in one measure. As Lord Morley says in his "Life of Gladstone" (Volume I., popular edition, page 503):—

"The abiding feature of constitutional interest in the Budget of 1861 was this inclusion of the various financial proposals in a single Bill, so that the Lords must either accept the whole of them, or try the impossible performance of rejecting the whole of them. This was the affirmation in practical shape of the resolution of the House of Commons in the previous year, that it possessed in its own hands the

power to remit and impose taxes, and that the right to frame Bills of Supply in its own measure, manner, time, and matter, is a right to be kept inviolable. Until now the practice had been to make the different taxes the subject of as many different Bills, thus placing it in the power of the Lords to reject a given tax Bill without throwing the financial machinery wholly out of gear. By including all the taxes in a single Finance Bill, the power of the Lords to override the other House was effectually arrested."

Tacking.

There is admittedly one case in which the House of Lords has rights it can constitutionally exercise, even in the case of money or Finance Bills. The measure must be what it purports to be. It must not contain "tacked" or foreign matter. The House of Lords' resolution on this point was passed on December 9th, 1702, and is as follows:—

"That the annexing of any clause or clauses to a Bill of Aid and Supply, the matter of which is foreign to and different from the matter of the said Bills or Aid or Supply, is unparliamentary, and tends to the destruction of the constitution of the Government."

It is alleged that the Finance Bill of 1909 contained "tacked" matter, and that, therefore, the Peers were entitled constitutionally to deal with it. Assuming, merely for the purpose of argument, the allegation to be well founded, the House of Lords clearly in this case had constitutionally only one course to take—a course which, in fact, they have not taken. They ought to have excised the "tacked" matter, and sent the altered Bill back to the Commons, offering to pass all those parts of the Bill clearly financial. Since they did not do this, the less said about "tacking," the better. It matters nothing that this course would still have led to the loss of the Bill. The Peers have not killed it outright by hanging it up merely to save time.

But is there, in fact, "tacked" matter in the present Finance Bill? The most perverted ingenuity can certainly find nothing "tacked" in any of the Parts except Part I. (Land Values) and Part II. (Liquor Licences). As to these, it is alleged—

(1) That the proposals as to taxing land values really constitute a Land Valuation Bill, and

(2) That the proposals as to Liquor Licences are only last year's Licensing Bill in another form.

As to these two contentions:—

(1) The Finance Bill does provide for a complete valuation as the necessary basis for the taxes on land values and mineral rights. It is beside the point that the valuation may, and will, be valuable

for other purposes; it is quite sufficient that it is the necessary foundation for taxes of substance actually imposed. It is quite true that the House of Lords has twice rejected Valuation Bills in the present Parliament, but one of their grounds of objection actually was that no tax was imposed. It is no evidence of "tacking" that the yield of some of the land taxes this year is small. Mr. Gladstone in 1853 imposed Succession Duties which yielded no revenue at all in the year of imposition.

(2) It is absurd to pretend that the licensing clauses are "tacked" as a mere piece of revenge for the loss of last year's Licensing Bill. The existing scale of licence duty is admittedly anomalous and too low; the State is amply entitled to recast the scale, and the proper place for that to be done is in the Finance Bill.

There is an entire lack of substance in the pleas about "tacking"; if they were, in fact, well founded, Parts I. and II. of the Bill would have been cut out and the rest returned to the House of Commons. But that would have exhibited too really and nakedly the Peers as the champions of land and liquor, and that it is sought to avoid by rejecting the Budget altogether, talking at large about "Socialism" and "revolution," and pretending that the only desire of the Peers is to know the will of the people before they bow to it. But nothing can conceal the fact that the Bill is rejected as a desperate gamble with the Constitution in the interest of Land, Liquor, and Tariff Reform.

The "Times" on the Powers of the Lords.

The *Times* of July 5th, 1909, published a remarkable article from its "Parliamentary Correspondent" on "The House of Lords and the Finance Bill." The *Times*, in a leading article, summed up the conclusion arrived at by saying that "if we consider the traditional relations between the two Houses we see that, as a matter of fact, and not merely of abstract theory, the House of Lords has practically no choice but to accept or reject a money Bill in the form given to it by the Commons." In a later passage the *Times* said:—

"Hence we come back to the hard fact that the House of Lords has practically to accept the Finance Bill as it comes from the Commons or to reject it *in toto*. We are very far from saying that circumstances may not arise in which the latter course will be justified. But we do say that it is a very strong measure needing very ample justification, and not to be regarded in the light-hearted way that prevails in some quarters at present. It is not only that so little precedent can be

adduced from the history of the last three centuries. Precedent is lightly set aside in these days, and perhaps does not appeal to this impatient age so forcibly as it did to our ancestors. But we have to consider the practical consequences of rejection of the measure in order to estimate the force of the reasons needed to move the House of Lords to throw it out. On this point nothing could be more forcible and apposite than the remarks of the late Lord Salisbury in 1894, quoted by our Parliamentary Correspondent. He said it was perfectly obvious that the House of Lords had not for many years interfered by amendment with the finance of the year. Then, assuming what we have just been arguing about the practical identity of amendment and rejection, he went on to say: 'The reason why this House cannot do so is that it has not the power of changing the Executive Government; and to reject a Finance Bill and leave the Executive Government in its place means to create a deadlock from which there is no escape.*' We put no limit to the possibilities of politics. There may be circumstances in which such a deadlock would be the smaller of two evils. But at all events it ought to be clearly recognised that such a deadlock is what the House of Lords has to contemplate when the time comes for it to decide whether it will accept or reject the Finance Bill. It will be admitted that the responsibility for creating such a deadlock is too heavy to be treated beforehand with irresponsible levity. The House of Lords may perhaps be disposed to reflect that the country, which made this House of Commons, can unmake it and reverse its decisions, and may prefer to leave the country to correct its own mistakes."

It will be convenient and useful to add here some quotations from the article of the *Times* "Parliamentary Correspondent."

(a) On the order for the second reading of the Finance Bill of 1894 in the House of Lords, Lord Herschell, then Lord Chancellor, said:—

"I do not suppose it can be doubted that this House could reject a Money Bill, or could refuse to read it a third time. . . . As to the abstract right to reject the Bill there cannot be a doubt. As regards the amending of a Money Bill, the House of Commons does not recognise the right of this House to amend a Money Bill, and if this House amends a Bill of that kind the other House sets the amendment aside as an encroachment upon its own privileges, and the Bill drops; so that the insertion of the amendment is equivalent to a rejection of the measure, that is to say, the rejection of the Bill is brought about by the action of this House."—(*House of Lords, July 26th, 1894.*)

(b) "What is considered by some authorities to be the *locus classicus* in recent years," says the *Times* correspondent, occurred in 1897. The Voluntary Schools Bill brought in in that year dealt with money payments, but even so was not solely a Money Bill. When it was considered in Committee of the House of Lords on April 2nd, 1897, Lord Spencer moved an amendment to provide for a representative of the local authority, or the parents, on the management. It was desired by Lord Kimberley and other Liberal

* The full passage in Lord Salisbury's speech is given at page 6.

peers to move subsequent amendments. Lord Halsbury, then Lord Chancellor, thereupon delivered the following opinion:—

“The Bill was for the purpose of making certain grants in aid to voluntary schools. The rule—and he called it a rule, for, although it was originally a protest and a resolution of the other House, it had, as Sir Thomas May said in his book, been acted upon as a rule of Parliamentary procedure for some 300 years—was ‘That all aids and supplies, and aids to his Majesty in Parliament, are the sole gift of the Commons; and all Bills for the granting of any such aids and supplies ought to begin with the Commons; and that it is the undoubted and sole right of the Commons to direct, limit, and appoint in such Bills the ends, purposes, considerations, conditions, limitations, and qualifications of such grants, which ought not to be changed or altered by the House of Lords.’ Sir Thomas May went on to say ‘It is upon this latter resolution that all proceedings between the two Houses in matters of Supply are now founded.’ Upon this Parliament had acted ever since, and in the circumstances he put it to the noble and learned Lord opposite (*Lord Herschell*) whether he agreed with him in the construction to be put upon the words. He had no authority, although Speaker of the House, to decide questions of order. Had he that right, he should decide that the amendment standing in the name of Earl Spencer was out of order.”—(*House of Lords, April 2nd, 1897.*)

Lord Herschell agreed that if the amendment came within the privilege of the House of Commons it could not be inserted in the Bill in the House of Lords. After some discussion the amendment was withdrawn and the other amendments contemplated were not moved. It is noted that “this attempt to amend a Money Bill in the House of Lords was made on the Liberal side, and that it was a Conservative Lord Chancellor who delivered the most weighty pronouncement against such an attempt, basing himself on constitutional practice.”

A Queensland Precedent.

A remarkable light is thrown on the respective financial powers of the two Houses of Parliament by a Queensland case, in a report of the Judicial Committee of the Privy Council, dated March 27th, 1886. The members of the Privy Council forming the Judicial Committee were:—

Earl Spencer (*Lord President*).
Lord Herschell (*Lord Chancellor*).
The Duke of Richmond and
Gordon.

Lord Aberdare.
Lord Blackburn.
Lord Hobhouse.
Sir Richard Couch.

The questions referred to the Privy Council and their answers are as follows:—

Question.	Answer.
(1) Whether the Constitution Act of 1867 confers on the Legislative Council powers co-ordinate with those of the Legislative Assembly in the amendment of all Bills, including Money Bills?	No.

*Question.**Answer.*

(2) Whether the claims of the Legislative Assembly, as set forth in their Message of 12th November, are well founded? *Yes.*

The Message referred to is the Message of the Legislative Council of Queensland in returning to the Legislative Council, on the 12th November, 1885, "the Appropriation Bill, No. 2." The full text of the Message is as follows:—

"The Legislative Assembly, having had under their consideration the amendments of the Legislative Council in 'The Appropriation Bill, No. 2,'—

"Disagree to the said amendments for the following reasons, to which they invite the most careful consideration of the Legislative Council:—

"It has been generally admitted that in British Colonies in which there are two branches of the Legislature the legislative functions of the Upper House correspond with those of the House of Lords, while the Lower House exercises the rights and powers of the House of Commons. This analogy is recognised in the Standing Orders of both Houses of the Parliament of Queensland, and in the form of Preamble adopted in Bills of Supply, and has hitherto been invariably acted upon.

"For centuries the House of Lords has not attempted to exercise its power of amending a Bill for appropriating the public revenue, it being accepted as an axiom of constitutional government that the right of taxation and of controlling the expenditure of public money rests entirely with the Representative House, or, as it is sometimes expressed, that there can be no taxation without representation.

"The attention of the Legislative Council is invited to the opinion given in 1872 by the Attorney-General and Solicitor-General of England (Sir J. D. Coleridge and Sir G. Jessel) when the question of the right of the Legislative Council of New Zealand to amend a Money Bill was formally submitted to them by the Legislature of that colony. The Constitution Act of New Zealand (15 and 16 Vict. c. 72) provides that Money Bills must be recommended by the Governor to the House of Representatives, but does not formally deny to the Legislative Council (which is nominated by the Crown) the right to amend such Bills. The Law Officers were, nevertheless, of opinion that the Council were not constitutionally justified in amending a Money Bill, and they stated that this conclusion did not depend upon, and was not affected by, the circumstance that by an Act of Parliament the two Houses of the Legislature had conferred upon themselves the privileges of the House of Commons, so far as they were consistent with the Constitution Act of the colony.

"The Legislative Assembly believe that no instance can be found in the history of constitutional government in which a nominated Council have attempted to amend an Appropriation Bill. Questions have often arisen whether a particular Bill which it is proposed to amend properly fell within the category of Money Bills. But the very fact of such a question having arisen shows that the principle for which the Legislative Assembly are now contending has been taken as admitted.

"The Legislative Assembly maintain, and have always maintained, that (in the words of the Resolution of the House of Commons of July 3, 1678) all aids and supplies to her Majesty in Parliament are the sole

gift of this House, and that it is their undoubted and sole right to direct, limit, and appoint, in Bills of Aid and Supply, the ends, purposes, considerations, conditions, limitations, and qualifications of such grants, which ought not to be changed or altered by the Legislative Council.

"For these reasons it is manifestly impossible for the Legislative Assembly to agree to the Amendments of the Legislative Council in this Bill. The ordinary course to adopt under these circumstances would be to lay the Bill aside. The Legislative Assembly have, however, refrained from taking this extreme course at present, in the belief that the Legislative Council, not having exercised their undoubted power to reject the Bill altogether, do not desire to cause the serious injury to the public service and to the welfare of the colony which would inevitably result from a refusal to sanction the necessary expenditure for carrying on the government of the colony, and in the confident hope that under the circumstances the Legislative Council will not insist on their Amendments."

No more authoritative pronouncement could be imagined to show that no constitutional right of amendment exists.

Sir Frederick Pollock on the "Peril to the Constitution."

Sir Frederick Pollock, in the *Times* of November 23rd, thus replies to Professor A. V. Dicey's attempted defence of the Lords. Sir Frederick Pollock, himself an eminent jurist, says:—

"My learned friend Professor Dicey writes to you as a Unionist. So do I. We were both original members of the Liberal Unionist Party, then called Liberal renegades by Mr. Gladstone's followers, and we are both original members of the Unionist Free Trade Club, now called "a few renegade Unionists" by the Tariff Reformers. If Mr. Dicey's own use of that term is meant for certain Unionist Free Traders who found it impracticable to support Free Trade in the House of Commons without also giving their general support to a Liberal Ministry, I do not think it either just or charitable. However, Mr. Dicey and I have at least one more thing in common—the conservative instinct of our profession. Like all instincts, it is capable of perversion, but I see no reason on the whole to be ashamed of it. There our agreement ends for the present purpose; for, unfortunately, we differ in the application. Mr. Dicey's conservative instincts are shocked by the revolutionary policy, as he conceives it, of the Government. Mine are more shocked by the revolutionary procedure of the House of Lords. A majority—we may assume a large majority—of that House threatens to break a constitutional understanding which, in spite of all special pleading and enumeration of doubtful and minor instances, has been accepted to all substantial intents for at least a century and a half. Blackstone thought the financial claim of the Commons excessive, but admitted it, at the beginning of George III.'s reign, to be a matter of settled usage.

"A Money Bill, my learned friend says, is generally a matter of administration. Was it a mere matter of administration to impose income-tax? Or succession duties? (There is a jeremiad of Lord St. Leonards about a blight on the fair fields of England, well known to conveyancers.) Or the death duties, which certainly no Tory

Chancellor of the Exchequer will renounce in our time? If the House of Lords claims to force a dissolution of Parliament at its own sole discretion every time a new tax is imposed, let it say so in plain terms. But this is such a bad new tax? Yes, indeed—if the House of Lords is to be the judge.

"Then Mr. Dicey says the electors who put the present Ministry in office had no notice of this Budget. What is this but our old friend the doctrine of the electoral mandate? We Unionists have more than once been told to disregard it as a Jacobin sophism, one of the tribe that, like the social contract, are twice and thrice knocked on the head, and still walk after the brains are out. I fear Mr. Dicey's zeal against Ministers has led him to think even this rotten stick good enough to beat them with. I cannot think so. There are few indeed of the pirate flotilla that have not at one time or another hoisted the colours of every respectable party. But nothing is too bad, it seems for a Ministry which has "deserted the whole policy of Cobden." I never knew that the Liberal Party was bound to it, or for that matter that Free Traders as such were Cobden's disciples. Mr. Dicey knows as well as any one that Cobden invented no economic doctrine whatever; he was not a prophet, but a missionary. That Cobden would not have voted for the Trade Dispute Act I can very easily believe, and that also many Liberals voted for it with great reluctance. But the House of Lords passed it without amendment. Who, then, is going to rescue for us the body of sound doctrine which another learned friend, Mr. Haldane, is (among other wicked Socialist Ministers) intent on destroying? Certainly not the House of Lords as it exists.

"But I wonder if I am awake when I read a little further on what is the impending peril to the Constitution. It is, according to Mr. Dicey, that if the Lords did not throw out the Budget "the majority of the House of Commons would be henceforward supreme." In the days when Mr. Dicey and I were reading our Bagehot, not to say our Hallam, I always thought it was. Bagehot, who was surely no demagogue, not only proved to demonstration, if proof were needed, that under our modern Constitution the political centre of gravity is in the majority of the House of Commons, but showed how it was so and why it must be so. Indeed, I thought Mr. Dicey had himself done a good deal to enforce and illustrate the proof. There may be exceptional cases, as in 1893, where the House of Commons has ceased to represent the sense of the country, and it is open to the House of Lords to perceive this and earn just credit for acting on it. Apart from the wide difference between rejecting an Irish Home Rule Bill and rejecting a Budget, I see no token that the present case is of this kind.

"In short, I must respectfully but clearly disclaim any part or lot among the people whom Mr. Dicey confidently calls 'we Unionists.' The House of Lords is driving us to a choice between two revolutions; a change in our unwritten conventions which would shift the centre of gravity from the House of Commons to the House of Lords, or a legislative change which would in one way or another formally restrain the exorbitant action of the Lords within the limits of the Constitution as understood by our fathers. Either kind of revolution would, in my judgment, be an evil; but, if the choice must be made, I prefer a written Constitution as the lesser and more measurable evil."

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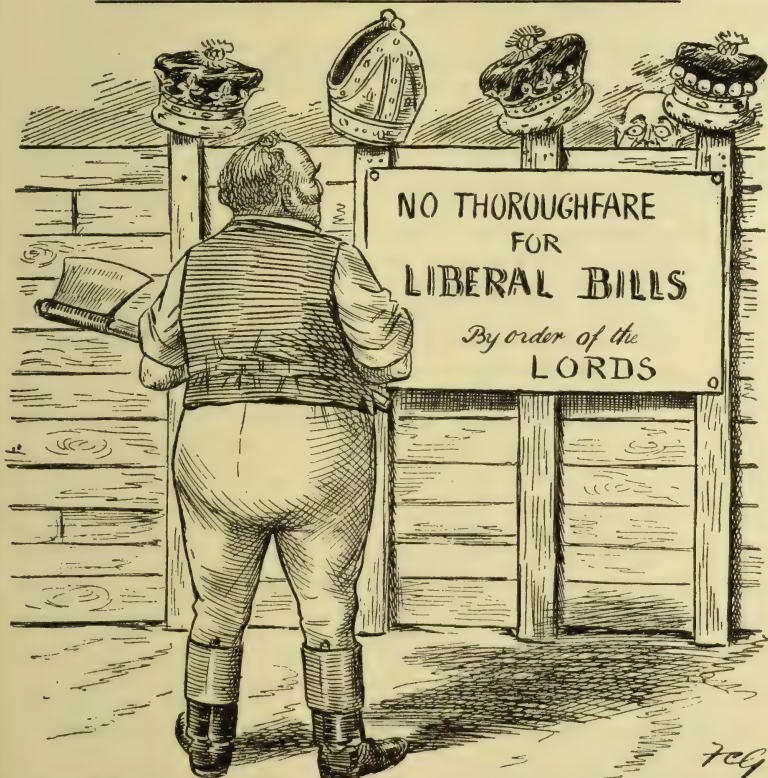
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THE HOUSE OF LORDS:

WHO THEY ARE,
AND WHAT THEY HAVE DONE.

By HAROLD SPENDER.

AN INTOLERABLE OBSTRUCTION.



JOHN BULL: Oh, you needn't try to hide, Arthur Balfour, I see you, I guessed it was your work. But you needn't think I'm going to allow all my business to be obstructed like this.

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A WORD BEFORE.

THE Budget is dead. Long live the Budget!

We need not trouble about the Budget. Its soul will go on marching on as the soul of John Brown went marching on through the great American Civil War, until at last his executioners were dragged from their high places, and had to pay the penalty in the loss of all that they held dear. But what of the executioners of the Budget? Of those proud Lords who, drunk with their success during the last few years in slaughtering Liberal measures, have at last assailed the British Constitution itself, and made this great bid for the sovereign position in these realms?

What of them? Why, this action of theirs, so lightly undertaken, will at last bring them to the judgment bar of the nation. And as they stand there, the High Court of the Nation will ask for the inquisition of their records during the last century. What is this Chamber that aspires to rule over us? What are its title deeds? What is the basis of its claim? Whence does it come? With what authority does it claim to supersede the elected representatives of the Nation? We know the Commons. In no country in the world has an individual to pass through so close a scrutiny as to character and ability as a man who wishes to be a member of the House of Commons in this country. He has first to be selected by a body representing his own party. He has then to go through a long campaign. Then finally he has to submit himself to the suffrages of his town or county. He is rewarded with no profit or emolument beyond the two letters "M.P." On the contrary he has to pay from his private purse, in most cases, from the moment that he is selected to the moment that he is elected. "He scorns delights and lives laborious days," but, as if he was asking for some privilege, he has to pay all the time. We know our Members of Parliament produced by this system, and we are

proud of them. There is no country in the world that produces a finer breed of public men. There is no land in which there is a nobler devotion to the public service by the servants of the people.

But what of the Lords? They have to submit to no election. They have to pay no fee. They are called upon for no continuous labour or successive session. They meet intermittently. They rise generally before dinner, and the attendance is generally far less than a sixth of the whole number. They have no basis for their claim to be legislators and rulers over us, except the fact that they accidentally came into the world as the eldest sons of their fathers. Heredity, which has ceased to be the basis of any other National Assembly in the world, is still almost the sole basis of the House of Lords. There is no other Chamber like it. Even the Upper House in Hungary, to which the defenders of the House of Lords long looked as the only parallel in the wide world, has now been modified. The very existence of such a body is a permanent note of interrogation to the political claims of the British race.

The only reason why we have ever tolerated it at all is that the House of Lords comes to us from the past. We are very tender with survivals in this country. We leave ruins alone as long as we can. We attempt to mould old institutions into new shapes, rather than to destroy them. That is what we have been trying with the House of Lords. But now we have come to a check in that amiable process. The lordly ruin blocks the landscape. We find that it has been built right across the road along which modern progress should go. From those innocent crumbling windows we suddenly see protruding the ugly mouths of modern weapons—the repeating rifles of the brewers, the pom-poms of the Tariff Reformers. There is gold in the vaults of that ruin, and it is armed for a siege. It is garrisoned by conspirators against the people's welfare—by a motley throng of liquor lords, landlords, and company promoters. That has been the position for the last few years, during which so many serious measures for the good of the United Kingdom—the Education Bill, the Licensing Bill, and the Scotch Land Bills—have all been contemptuously rejected by the House of Lords.

But to-day this prolonged defiance has reached its climax. The massacre of ordinary measures was simply an aggravation of an old evil which our forefathers had to endure throughout the nineteenth century. But the destruction of a Budget is something no House of Commons has had to endure since the Civil War. A slight tax here to be put on or repealed, a small fiscal quarrel now and again, there have been such. But to refuse the whole supplies of the year—to stand between the King and his people, when the people are giving to him the money necessary for carrying on the service of the country—that is an entirely unprecedented act. It is a revolutionary act. It is a breaking up of the Constitution. It may be necessary to meet a revolutionary blow by a revolutionary counter-blow. A reply to a breach of the Constitution may not be found within the walls of the Constitution. The finances of the country are precious, but the liberties of the country are more precious still. The nation will look to its rulers to take strong and vigorous steps without hesitation or delay, to defend their rights from the hand of the profaner and the usurper. If this little record will support them to any extent in any measure which they may have to undertake, then it has not been written in vain.

H. S.

THE LORDS AS OTHERS SEE THEM.

"During the last 100 years the House of Lords has never contributed one iota to popular liberties or popular freedom, or done anything to advance the common weal; and during that time it has protected every abuse and sheltered every privilege. It has denied justice and delayed reform. It is irresponsible without independence, obstinate without courage, arbitrary without judgment, and arrogant without knowledge."—MR. CHAMBERLAIN, August 4, 1884.

"For sixty years I have been a witness, and in a small way a participator in, vast legislative changes of the utmost consequence, and very large in number. Now, let me remind you of this. There has not been one among those changes which has originated in the House of Lords, which has been promoted by the House of Lords, which owes its place on the Statute Book to the impartial opinion of the House of Lords. To every one of them that opinion has been adverse, although the manifestation of the opinion may have been prudentially restrained."—W. E. GLADSTONE.

"The effect of the House of Lords as it at present stands is this: That in one case—the case of a Liberal Government—it acts as a Court of Appeal; while in the other case—the case of a Conservative Government—it acts not as a Second Chamber at all. In one case we have two Chambers under a Liberal Government; under a Conservative Government we have a single Chamber."—LORD ROSEBERY, March 17, 1894.

"The Lords are not taller, they are not stronger, they have no claim, I believe, to be called more learned. We know that the bulk of them are not more accustomed to business, and we believe and we feel that they have less sympathy than other men with their fellow-countrymen. Now, in some respects they are peculiar, and the great bulk of people would say that in some respects they are greatly to be envied. For example, the members of the House of Peers—the 500 persons or families—are reported to be the owners of one-fifth of the whole of the land of the United Kingdom."—JOHN BRIGHT, August 4, 1884.

"We have perfect confidence in the good feeling, the good sense, the wisdom, the righteousness, and the patriotism of our countrymen. We need no shelter against them; we have no fears of them; and, therefore, we would invert the rôles assigned to the two Houses. Let the country have the fullest use in all matters of experience, wisdom, and patriotic industry of the House of Lords in revising and amending and securing full consideration for legislative measures; but, and these words sum up our whole policy, *the Commons must prevail*."—SIR HENRY CAMPBELL-BANNERMAN.

"Never have I seen such a display of selfishness and frigidity to every human sentiment, such ready and happy self-delusion."—LORD SHAFTESBURY.

I. WHO THEY ARE, AND HOW THEY CAME THERE.

The House of Lords is now commonly described as a "Second Chamber," but it was not originally constituted, and never was deliberately adopted, as a Second Chamber. The House of Lords is, in point of fact, a survival. It is the last remaining relic of the old assembly of councillors which existed long before the beginning of the modern Parliamentary system. That was the "Magnum Concilium"—the Council of Magnates—of the Norman Kings. The House of Lords is often supposed to have a connection with the old Witenagemote of the Saxons, but it has none. It has no popular origin. The House of Lords has been from the beginning a Chamber arbitrarily chosen without any representative element. Originally the Monarch sent for whom he chose to send for, and distributed his "writ of summons" to barons, bishops, and abbots according to public policy. The Church contributed in those days a majority to the Council of the King.

Then Simon de Montfort, in his brief and brilliant usurpation of power, introduced the element of representation which forms the basis of our modern House of Commons. At first the paid representatives sent by the shires and towns of England sat side by side with the barons, abbots, and bishops. But after a time, finding that their interests were very different, they decided to sit separately, and so took place the first division of the British Parliament into two houses. The rank and file of the clergy seceded into Convocation, and thus the secular representatives of the British people were left as a separate Chamber, known ever since as the House of Commons. Finally, at the Reformation, the abbots were excluded from the House of Lords and the bishops diminished, with the result that in the "Upper" Chamber also the secular element triumphed.

Then came the great struggle of the House of Commons on behalf of the right of controlling taxes, first against the arbitrary power of the Tudor and Stuart monarchy, and next against the pretensions of the House of Lords. In both struggles the Commons won. The result of the Civil Wars was to give the House of Commons the power of controlling finance over the head of the King, and after the Restoration another struggle took place between the Commons and the House of Lords, which ended in giving the Commons the right of controlling finance over the head of the House of Lords.

The House of Lords is thus the last relic of the old despotic Norman constitution, which has been gradually shaped into the full and representative government of modern days. As such it might be left, in our English fashion, as a picturesque adornment of the landscape. But of late years, unhappily, these castellated ruins have been rebuilt and regarnished. The claim put forward during the last generation is that the House of Lords should exercise a real control over legislation initiated by the House of Commons. We have seen a great revival of that claim since 1892, and it has been boldly exercised on many important legislative proposals.

But the matter does not stop there. Of late we have seen an audacious revival of the old claim of the House of Lords to control finance. That claim goes back to a settlement arrived at more than two centuries ago. It forces us to take new stock of the position in which we find ourselves. It compels us to look again once more into the composition and record of the body that makes the claim.

Who, then, are the Lords of Parliament? What is the House of Lords?

A—COMPOSITION AND CHARACTER OF THE HOUSE OF LORDS.

The House of Lords consists of 616 persons, thus distributed :—

- 3 Princes.
- 2 Archbishops.
- 22 Dukes.
- 23 Marquesses.
- 124 Earls.
- 40 Viscounts.
- 24 Bishops.
- 334 Barons (including Life Lords).
- 16 Elected Peers from Scotland.
- 28 Elected Peers from Ireland.

616

Of this total, 541 hold their place in Parliament by hereditary title alone, while 75 hold theirs by some shadow of selective or elective authority :—

- 2 Archbishops.
- 24 Bishops.
- 5 Law Lords.
- 16 Elected Peers from Scotland.
- 28 Elected Peers from Ireland.

75

But of those, 44 are hereditary peers selected by the vote of other hereditary peers, and thus the number of persons who obtain their seats in the House of Lords by any shadow of merit is 31.

The House of Lords, then, is a Second Chamber based, in respect

of all except one-nineteenth of its members, on hereditary title alone. The element of election cannot be taken very seriously. For what are the constituencies? The 28 Irish peers represent a constituency of 89. The 16 Scotch Peers represent a constituency of 27! Whenever a vacancy occurs, certain privileged personages meet apart from the rest of the electorate—89 Irish peers in Dublin Palace, or 27 Scotch in Holyrood Palace, as the case may be—in order to choose a representative, in Ireland for life, in Scotland for a single Parliament. The person thus selected has thenceforth a right to the writ of summons which enables him to exercise a veto over the decisions of the persons sent to Westminster by the populations of Dublin and Edinburgh as a whole. There is plainly no genuine representative element contained in such an arrangement.*

Otherwise, with the exception of this fraction of one-nineteenth, the sole claim of the Lords to sit in Parliament is that they are the sons of their fathers. They have, in the words of Beaumarchais' Figaro, "condescended to be born."

The "Appointed" Element—The Law.

But it is interesting to observe that the Law and the Church, the two working institutions represented in the Lords, have both broken away from the hereditary principle. The five Law Lords represent the appointed element. The House of Lords is the final Court of Appeal in legal matters; and our complex modern society has long ago discovered that it is impossible to leave such matters to what is the chance lottery of heredity. Legal decisions given by gentlemen chosen on the hereditary principle would scarcely provide a substantial or trustworthy basis for the affairs of a great commercial nation, and even the strongest Tory would not stretch the principle to that point. In order, therefore, to save us from the constant confusion that might result from such a state of things, five Law Lords are appointed, with Life Peerages, to strengthen the House of Lords as a Court of Appeal.*

And what is the result? Why, that this—the part of its functions excluded from the influence of the hereditary principle—is held up even by its friends as the one function adequately performed. "You abuse the House of Lords," they say, "and yet all our legal doubts and controversies have to be settled ultimately by that House as the final Court of Appeal."

* Here we note an absurdity within an absurdity. The Scotch Peers may well have a grievance against the Irish Peers, as these latter gentlemen are allowed two chances of sitting in the seat of judgment. If an Irish Peer is not elected to represent his class in the House of Lords, he may yet be chosen by any constituency in the United Kingdom, outside Ireland, to represent them in the House of Commons. A Scotch Peer, on the other hand, is disqualified from sitting as a member. Why this superior advantage to Irish Peers?

† The present Law Lords are Lord Macnaghten, Lord Lindley (*retired*), Lord Atkinson, Lord Collins, and Lord Shaw.

And how is this reputation for efficiency maintained? Because, ever since the impeachment of O'Connell, all the hereditary Peers—all the Lords, in fact, except those who have been expressly chosen on their professional and individual merits—have been shut out from the sessions of the Lords when sitting as a Court of Appeal. The Law Lords sit alone. In other words, in this branch of its work the hereditary principle has been abolished. We might, perhaps, be content if the Lords would consent to delegate all their legislative functions to a similar body of revising non-hereditary experts.

The Bishops.

There remain the 26 Archbishops and Bishops. Here, too, we turn our backs on the hereditary principle. It would be plainly impossible for a great institution like the Church of England to be managed on the hereditary method. The Bishops, as a whole, are therefore selected, and their representatives in the House of Lords take their seats by seniority, except in a very few cases.* But selection is useless unless it is selection for the right purpose. To justify the use of a man as head gardener because he has been appointed chief cook is surely not a reasonable proceeding. It is equally irrational that a Bishop, chosen on spiritual grounds to be a leader in a spiritual organisation, should be allowed a predominant share in temporal or worldly concerns. Of course, the inevitable result is that the energies of these gentlemen in the House of Lords are almost entirely confined to defending their own church. Politics have become an absorbing pursuit, and it is impossible for a good Bishop at once to look after his diocese and to take a lead in political affairs. And when they do appear and vote on the interests that concern them, their action is sometimes such that the mundane politician is inclined to be thankful for their absence on other occasions.

The "New Men."

Thus, the exceptions to the hereditary principle in the House of Lords are not very consoling. Nor can we admit that much comfort is to be derived from the reflection that at any given time some hundred peers, having been themselves ennobled, hold their seats in the Upper Chamber on their own personal merits and not those of their ancestors. The least observant must have noticed that many of these undergo an entire change of attitude on entering into the House of Lords. And the reason is easy to find. In the House of Commons they are responsible to their constituents; in the House of Lords they are responsible to no one but themselves. But power without responsibility is a thing for which few men are equal. Such men, with many honourable exceptions, succumb to the feelings of the class in which they have now to make their

*The two Archbishops and the Bishops of London, Winchester, and Durham always sit in the House of Lords. The others sit in order of priority of appointment. The Suffragans, of course, have no seats in the House of Lords.

way. The voice of the people rarely penetrates the atmosphere of class pride and prejudice with which they become environed. They enter the hereditary atmosphere.

The Hereditary Principle Supreme.

The above analysis will have shown us the futility of defending the present House of Lords on the ground that it rests on any other basis than that of the hereditary principle. Unless the defenders of the House of Lords will base their claim to survival solely on the presence of the Bishops and the Law Lords, they cannot avoid being also champions of heredity. By the hereditary principle the great majority of the House of Lords must stand or fall. They have no other bulwark.

Has it Any Value?

The most courageous apologists are probably those who do not attempt to shirk this issue, and boldly lay claim to this as the peculiar strength of the House of Lords. Its age, they say, is its best defence. In this age of transition and novelty, the antiquity of the House of Lords—so they argue—gives it a claim on our allegiance. *Noblesse oblige*—"Nobility of stock compels to virtue"—is a motto that has seen a good deal of hard service; but it is always trotted out on these occasions. The same apologists will contend that the man who has a long ancestry will be a better man than the *parvenu*—and that even the researches of modern science, not generally favourable to our institutions, has come to the help of the hereditary principle.

No!

But he must indeed have a very small acquaintance with the science of heredity who looks in that direction for help in defending the House of Lords. That sons are sometimes like their fathers is one of the earliest generalisations of the human reason. It is also one of the most fallacious. What the science of heredity really has done is to show us how often they are unlike. It has shown us how many influences from the distant past go to the making of a human being, and how often the ability of a family proceeds from its intermixture with another stock. In fact, science seems rapidly on the way to prove that the maintenance of "ancient families" is one of the idlest "will-o'-the-wisps" that ever led humanity astray. Families, like plants, get exhausted.

"It Is So Old!"

Nor if we pass from the scientific ground to the moral do we find any corroboration for the belief that long ages of privilege and power tend to create any peculiar sense of responsibility. "It is so old," they say about the House of Lords; and hence, they argue, so virtuous. But does it follow? On the contrary, we generally find the oldest aristocracies the worst. The French

nobility of the old order was a nobility which had been kept far more strenuously pure than that of these islands. The new ennoblements were few and far between, and the older nobles held a place aloof from the newer, looking down on them from a lofty height. And yet they were the most corrupt and selfish aristocracy of modern times, and led France where we should be loth to see England led.

Is It?

But is the House of Lords so very old? The plain fact is that, even if we admit the claims put forward on behalf of age in an institution, the House of Lords cannot share them. Old families, indeed, have their ups and downs of fortune, and sometimes develop democratic sympathies. But the House of Lords has been continually strengthened and reinforced by a steady incursion from every wealthy and reactionary element in the State. The consequence is that its composition is essentially modern. Classification of the purely hereditary peers according to the date of creation of the peerages by virtue of which they sit in the House gives the following results:—

Thirteenth Century	...	...	7	Eighteenth Century	...	...	101
Fourteenth	"	...	8	Nineteenth	"	{ 1st Half 114 2nd ,, 176 }	290
Fifteenth	"	...	6				
Sixteenth	"	...	16				
Seventeenth	"	...	50	Twentieth	"	...	52

If the House of Lords were limited to descendants of peerages founded before the seventeenth century, it would consist of thirty-seven peers; if it were limited to descendants of those founded before the sixteenth, it would consist of twenty-one; if it were limited to those before the fifteenth, it would dwindle down to fifteen; if to those earlier, to seven; while if we had to depend upon the peers whose titles date from the twelfth and eleventh centuries, we should have no House of Lords at all.

Essentially Modern.

Thus it will be seen that our apologist has taken quite the wrong ground. If this sentimental principle of devotion to mere antiquity were really followed in human affairs, it need cause us no vexation or trouble. Nature has decreed death and change to be the law of things, and not even the House of Lords is freed from that mandate. If the English aristocracy had observed the exclusiveness of the French, it would have died with the French. What has saved it has not been its age but its modernness. It is alive to-day because every modern English monarch and minister has continually reinforced it. The hereditary principle, in other words, has worked only because it has been constantly strengthened by the arbitrary selection of kings and ministers. But the hereditary principle is still there, only it is to the descendants of the paltry favourites of the Georges and Stuarts, and of the nominees of modern ministers, instead of the more picturesque Normans and Saxons, that we are asked to bow down.

B.—A BRIEF HISTORY.

The modern Peerage, in fact, may be said to have been created since the accession of the Stuarts. In order to emphasise this we will take a brief glimpse at the growth and development of the House of Lords in modern times.

What the Stuarts Did to the House of Lords.

When the first Stuart King, James I., came to the throne, he found that there were only fifty-nine Peers in existence. This state of affairs was due to the decimating effects of the Wars of the Roses, which the Tudor Kings, always jealous of aristocratic power, did little to repair. At the end of the Wars of the Roses—after Bosworth Field—there were only twenty-nine Peers summoned by the King. During the reigns of Henry VII. and VIII., of Mary, Edward VI., and Queen Elizabeth, this number was increased by only thirty.

The Stuarts, however, devoted themselves to the work of Peer-making with far greater energy. James I. created sixty-two, Charles I. created fifty-nine, and Charles II. sixty-four. Poor James II. had only got so far as the figure eight when he was ejected from the throne.

Still, the total of 193 was not discreditable to the Stuart dynasty. The remarkable fact was that, though there were fifty-nine to start with, and 193 were added, the total number of Peers at the end was *only* 153! This strange arithmetical result was due to the damaging effects of the Civil War between King and Parliament. It will be remembered that in the course of this struggle the House of Lords was once entirely abolished.

The Georges.

For nearly a hundred years after the accession of the Hanoverian dynasty, the House of Lords stood very much where it was. The earlier (Hanoverian) monarchs reverted to the policy of the Tudors, and made few additions to the Peerage. Between 1700 and 1750 there were only forty-two new creations—scarcely sufficient to keep up the numbers. The Union with Scotland in 1703 brought in sixteen additional members. But the size of the assembly at the time may be gathered from the proposal put forward in 1719 and passed by the Lords to restrict their numbers to 178.

The great leap forward which brought the House of Lords to its present numbers came under the reign of George III., who first realised the amount of power placed in his hands by his position as "the fount of honour." He was the first to methodise the gift of a Peerage as a regular instrument in the work of government. It is notorious that this was the weapon which largely secured the passage of the Act of Union, and George III. steadily employed these gifts as a means of forming and consolidating a "King's

Party," and dominating the House of Commons through the House of Lords. Most of the constituencies at that time were regularly trafficked for by borough owners; and to reward one of these merchants of votes with a Peerage was to secure so many seats in the Lower House for the King's side.

The Modern Method of Peer-Making.

This was a method, which, to succeed, must be employed prodigally, and Pitt did not hesitate to do so. Between 1750 and 1801 the Peerage rose by leaps and bounds. In all, there were 140 new additions—as against forty-two in 1700-50. George III. created altogether 300 peers. When we add to this the twenty-eight Irish peers brought in by the Act of Union between England and Ireland, we are able to understand the size of the modern House of Lords.

Pitt gave the cue to all modern Prime Ministers. Ever since the beginning of the nineteenth century, the Peerage has been used by both parties as a mode of rewarding faithful followers or shelving awkward customers.

The Result—A "High Tory Committee."

Both parties have played at the game. Mr. Gladstone was four times Prime Minister, and a great Peer-maker. And yet most of his Peerages have gone—either in the first or the second generation—to swell the Tory majority, and the Liberals can command only a miserable fraction of votes. It is clear, therefore, that the equilibrium of the House of Lords is not to be restored solely by the creation of Liberal Peers. The "atmosphere" is against them.

But what does that show? Does it not prove something radically wrong in the very structure of a Chamber when the forces of Progress, however richly fed from outside, tend inevitably to wither and decay within its walls?

The theory of our Government is that we have two parties, both of whom have a say in the work of government. But what do we find? Why, that it is a theory that only applies to one Chamber—that the other Chamber is so constituted as to become reactionary, by the very law of its being! But surely the late Lord Goschen was right when he laid it down, in his better days, that "a legislative body having a permanent majority belonging to one political party in the State is a danger to that body itself."

C.—ATTEMPTS AT SELF-REFORM.

It is probably the hopeless gulf fixed between this House and all modern political ideas that has, from time to time, led members of the House of Lords, and other optimistic persons, to make proposals for its reform.

The "Root and Branch" Reform of 1649.

We come first in order to the famous abolition of the House of Lords under the Commonwealth, and the limiting proposal of

1719, to which we have already referred. There are many who will always relish the honest and uncompromising directness of the famous resolution passed by the House of Commons in 1649—"That the House of Lords is useless and dangerous, and ought to be abolished."

And so the House of Lords was abolished—for a time. But those were days of war and revolution, which in the present case we wish to avert by wise reform. Let us, therefore, confine ourselves to the constitutional proposals made since the Commonwealth period. The first of those was the proposed limitation of numbers in 1719.

The 1719 Limitation of Numbers.

Of this 1719 proposal it is sufficient to say that, if it had succeeded, the great Reform Bill could never have been carried without a revolution. The House of Lords proposed to fix its numbers at 178, without possibility of addition. The Bill passed the Lords, and was thrown out by Commons on December 8, 1719, by a majority of 99. If that Bill had passed, the Liberals in 1832 could never have threatened to swamp the majority by new creations, or persuaded William IV. to adopt the suggestion. The Reform Bill, in other words, would never have been carried. All proposals to limit the number of the House of Lords must be uncompromisingly opposed, as they would only end in stereotyping that body as an invincible caste.

The "Life-Peerage" Proposals.

The modern proposals that claim our attention may be divided into two classes—those involving a slight modification of the Chamber as at present constituted, and those which are broadly reconstructive.

Among the former come the various mild attempts to modify the hereditary basis of the Lords by the introduction of Life-Lords. The first was made in 1869 by Lord Russell, who proposed to introduce twenty-eight Life-Lords. The Lords defeated the Bill on the third reading by 106 to 76. Similar proposals have been made since by sanguine persons like Lord Dunraven and the late Lord Carnarvon, but the House of Lords has scarcely felt sufficiently frightened of them to sacrifice a single dinner. It was always considered to be a privilege of the Crown to create Life Peers until Lord Wensleydale was created in 1856. Then the House of Lords shut their door in his face, and refused to receive him.* They won "hands down," and when it became necessary to

*Sir Erskine May gives the following account of this incident:—"Life Peerages were formerly not unknown in our constitution; and in 1853 Queen Victoria, having been advised to revive the dignity, with a view to improve the appellate jurisdiction of the House of Lords, created Sir James Parke, late one of the Barons of the Exchequer, Baron Wensleydale, 'for and during the term of his natural life.' But the House of Lords

create five Life-Lords in order to save England from the ridiculous results of the hereditary system, the Government had to pass a special Act. The extension of the Life-Lord principle beyond the Law-Lords already in existence is a proposal against which the Lords have always fought with the true instinct of an assembly that recognises in it a blow at the very foundation on which it rests. When the late Lord Salisbury made a very modest proposal to this effect in 1888, he was not able, and indeed did not desire, to carry it beyond a second reading.*

Lord Rosebery's "Reconstruction" of 1888.

Lord Rosebery himself tried this method in his first (1884) proposals, which he picturesquely described as "nothing more than a fresh coat of paint." But the contemptuous reception given to the suggestions on this occasion showed that he had nothing to gain by such tinkering. So in 1888 he produced a much bolder plan—the only scheme which has yet really grappled with the task of reconstructing the Second Chamber. Into the details of this scheme I need not go. Suffice it to say that the stately ears of that august assembly were assailed with proposals to eject their noble selves and fill their places with representatives from the Colonies, the House of Commons, the larger municipalities, and—climax of bitterness!—the County Councils! As well might one of the immortal gods have wished his fellows to take down the bars of heaven and to let in the impious Titans!†

referred the letters-patent to a Committee of Privileges which after examining all the procurements of life-peerages, reported their opinion 'that neither the said letters-patent nor the said letter-patent to the usual writ of summons issued in pursuance thereof, can enable the grantee to sit and vote in Parliament.' The House concurred in the opinion, and Lord Wensleydale, therefore, did not offer to take the oath and his seat, but was shortly afterwards created a hereditary baron in the usual form."

* This Bill may be explained in the late Lord Salisbury's own words:—"We propose that it shall be lawful for Her Majesty from time to time by letters patent to appoint as a Peer during his life 'any person qualified as shown hereinafter,' and then come certain categories which I will read. Of these not more than three persons shall be appointed in any one calendar year. Either he must have been for not less than two years a Judge of the Superior Court in some part of the United Kingdom, or have served in Her Majesty's naval forces and have obtained the rank of Rear-Admiral or higher rank, or he must have served in Her Majesty's land forces and have attained the rank of Major-General or higher rank or have been an Ambassador Extraordinary. I think we may say that, if a man has been in the Civil Service of the Crown, either in this country or in the Colonies, and has afterwards been made a Privy Councillor, he is a fit person for a life peerage."

† Lord Rosebery brought forward a motion to refer the question of reform to a committee of the House of Lords. It was rejected by 97 to 50.

The Reform Committee of 1908.

Lastly we come to the proposals put forward by a Select Committee on the House of Lords which was appointed in 1908. This Committee consisted of twenty-five members of the House of Lords drawn from the Unionist side of the House. The Liberal Government, having put forward a proposal of their own in the Campbell-Bannerman resolution, decided to abstain from the discussions. Lord Rosebery was appointed Chairman, and the Committee sat throughout the year. They took no evidence, and decided that they were restricted by their Reference to enquiring as to the best means of increasing the "efficiency" of the House of Lords.

The Committee decided at the outset that the road to that end was to be found in the direction of modifying "the almost exclusively hereditary character of the House of Lords." It is interesting to note the reasons for this assumption given by the Committee in their official report:

- (i) That the numbers of the House within recent years have increased so largely that some reduction for legislative purposes is expedient;
- (ii) That it is desirable to relieve from their Parliamentary duties Peers to whom such work is irksome and ill-suited, but to whom it has come inevitably by inheritance; and
- (iii) That it is necessary in the interests of the House itself to eliminate by a process of selection Peers whom it is inexpedient for various reasons to entrust with legislative responsibilities.

What the Report Admitted.

These stated reasons seem to contain some very important admissions. For here we have it officially confirmed by a body representing the Conservative Party in the House of Lords (1) that the House of Lords contains Peers to whom their work is "irksome and ill-suited"; and (2) that it contains Peers "whom it is inexpedient for various reasons to entrust with legislative responsibilities." The point is delicately put, but it is now placed on official record by a majority of the House of Lords itself that it contains a large element of involuntary and unsuitable legislators "whom it is inexpedient for various reasons to entrust with legislative responsibilities."

The "Reformed" Chamber.

How did this Committee propose to change this state of affairs? Having recognised the existence of superfluous members, they obviously were required first to put forward some proposals for a "purge" of the "Upper Chamber." Their first proposal was that the system of inner election already existing in regard to the Scotch and Irish Peers should be extended to the English Peers. In that way the hereditary Peers were to be cut down to 200 "Lords of Parliament," elected by all the hereditary Peers of the

United Kingdom. To these were to be added 130 Peers selected from retired Officers of State, ranging from Cabinet Ministers to Ambassadors. These were to be supplemented by a "possible annual increment"—notice the timid hesitation of this proposal—of four Life Peers up to the number of forty. Adding the reduced number of ten Archbishops and Bishops and the present five Lords of Appeal, this new House of Lords would thus number 388 members—

- 3 Peers of the Blood Royal.
- 200 Hereditary Peers.
- 130 Qualified Peers.
- 10 Bishops.
- 5 Lords of Appeal.
- 40 Life Peers.

More Tory Still!

Having thus "reformed" the House of Lords to their satisfaction, the Committee seem to have gradually realised that this new body would manifest very much the same tendencies as the present House of Lords. The probability is, indeed, that it would be much more Conservative. For the Irish and Scotch elective bodies never by any chance return a Liberal Peer to Westminster, and although this Committee introduced a clause recommending a scheme of proportional representation in the new elections of "Lords of Parliament," yet it is quite clear that the Liberal Peers would emerge in much diminished numbers. Meanwhile, the one resort of a Liberal Government in dealing with the resistance of the House of Lords would be cut off. For since 1832 it has become, by precedent and convention, an established rule of the British Constitution that if a Prime Minister can obtain the consent of the King to create sufficient new Peers to swamp the House of Lords at a crisis of obstruction to the national will, he is in that way able to assert his policy. Under the "reformed" constitution recommended by this Committee, this way out would be carefully barred by the strict and constitutional limitation of numbers.

The net result, then, of these reform proposals put forward by the House of Lords in 1908 would be to diminish still further the Liberal minority in the House of Lords, and to abolish the reserve power of creating Peers. The Committee had a dim idea that such suggestions were not quite satisfactory for grappling with what they, in a moment of refreshing candour, called the "existing evil." So they paused to consider the idea of importing eminent persons of local renown—the representatives from County Councils and Municipal Corporations proposed on an earlier occasion by Lord Rosebery. But at that point the Committee became equally divided, and found themselves unable to make any recommendation.

The Committee, in fact, seem to have suffered a sudden access of humanity when they approached this side of the problem. They could not, consistently with their feelings as men, recommend that

any individuals should be placed in such a position as these new Peers would hold. "They consider"—so runs the Report—"that such Lords of Parliament would be in a position anomalous as regards the House and unsatisfactory as regards themselves." Was there ever such careful consideration for the feelings of others?

Finally they proceeded to consider the idea of solving deadlocks between the two Houses by having resort to the expedient known as the Referendum. But at that point a sudden silence fell on them—a sudden and beautiful discretion. "Though much might be said in favour of such a proposal"—here again I quote this discreet Report—"the majority of the Committee felt that to discuss it or formulate an opinion upon it would be beyond the limits imposed upon them by their order of reference." And so the Report suddenly ends.

The Referendum Idea.

Since this Report was published, the idea of a Referendum has been revived by Lord Rosebery in a very remarkable letter written on June 22, 1909. The proposal he seems to make is that the House of Lords should be able to order a Referendum whenever they dispute the right of the House of Commons to legislate. Now the present position is that disputes occur frequently, and repeatedly, when measures are sent up by Liberal Governments, and never at all when measures are sent up by Conservative Governments. That is the "existing evil." Whatever, therefore, may be said on behalf of a Referendum in the abstract, there is nothing to be said for a Referendum at the order of the House of Lords. The only effect of such a change would be that a Liberal Government would be kept in a perpetual state of reference back to the country, amounting to the expense and friction of a continuous series of General Elections, while a Conservative Government would go scot-free. The Referendum of Switzerland is a popular institution, set in motion by a popular demand. As a substitute for the power of the House of Lords, that is a proposal to be debated and considered in its proper place. But as an addition to the power of the House of Lords it would prove intolerable. Extended to finance it would spell chaos.

What these Attempts Show.

Now, what is the value of these proposals? They show us a "House divided against itself," and that, we know, cannot stand. The suggested reforms from the Tory benches show us that those who boast most loudly the excellences of the present Upper Chamber are, at heart, profoundly sceptical of its claims to power. It was all very well for Mr. Balfour, who has never sat in the House of Lords, to talk largely about its efficiency,* but what said his own

* "If you ask me whether the House of Lords do or do not on the whole do well and efficiently the work of a Second Chamber, then I answer, without hesitation and without doubt, that they *do* do it well, and that they *do* do it efficiently."—MR. BALFOUR at Manchester, January 24th, 1894.

uncle, who not only sat in, but largely controlled, that assembly?

"We belong too much to one class, and the consequence is that, with respect to a large number of questions, we are all of one mind. . . . There are a vast number of social questions deeply interesting to the people of this country, especially having reference to the health and moral condition of the people, and upon which many members of your Lordships' House are capable of throwing great light, and yet these subjects are not closely investigated here because the fighting power is wanted, and the debates cannot be sustained."

This has been even more conspicuous since 1895, as every important measure sent up by the Tory Governments between 1895-1906 was passed practically without debate. These attempts to reform—to remove "the existing evil"—comprise, in short, an important series of admissions. By attempting to reform itself the House of Lords has shown itself conscious of its shortcomings: by the failure which has dogged every effort, it has shown itself incapable of remedying them.

In other words, the record of the last half-century clearly demonstrates that the reform of the House of Lords *can only come from without*.

II. WHAT THEY HAVE DONE.

We have shown that the principle on which the House of Lords rests is archaic, and its composition deceptive; but these demonstrations will not have much effect on the plain, practical man. The Englishman is not wont to trouble himself much about the logic of his institutions. The question he asks is always, Do they work? Let us see (1) how the Lords do their work, and (2) what the work is that they have done. We will deal first with their methods of work.

A.—HOW THEY DO IT.

Scenes in the Lords.

Suppose that both Houses are sitting at once, and that we have been spending an hour or two in the Lower House listening to the rapid exchange of question and answer, and watching the thousand and one indications of life and movement that go to make up the fascination of the sittings of the Commons. Whatever else we may feel about the proceedings of that Chamber, at any rate we feel that it is alive. "Here are men," we say, "who, whatever may be their shortcomings, are toiling for the good of their country. No one can deny that, with all its confusions, the House of Commons has the good of the country at heart."

Well, we pass through the Lobbies and the short passage between the Houses where, as Lord Rosebery once put it, important measures so often catch their death-chills, and we climb the stairs into the Strangers' Gallery of the Upper House. We cast our eyes tremblingly on the benches beneath, and what do we see?

Let us suppose that it is an ordinary meeting of the House, and that circumstances have made no instant call on their Lordships to be up and doing in defence of their privileges. In other and plainer words, the immediate business of the House is concerned with the plain affairs of everyday legislation, such as, in the House of Commons, may be expected to call together a House of not less than 200 or 300. On such an occasion, we shall find the House of Lords an almost deserted Chamber—one great blaze of red leather. On two benches in the middle of the Chamber, facing one another, are seated two straggling rows of elderly gentlemen, representing the Government and the Opposition. In a remote corner you may observe a solitary Bishop, buried in lawn sleeves. On a great red sofa in the middle, called the woolsack, is a weary-looking figure, who, every now and then, drones something in a monotonous voice. "Those on behalf of the motion will cry 'content,' those against it 'not content.' I think the 'contents'

have it." This is the refrain he goes on repeating, while the elderly gentlemen every now and then rise and make inaudible remarks to one another in a jocular vein. And then, suddenly, the whole fabric dissolves. "The question is that the House do now adjourn," cries the figure on the woolsack, "the contents have it." The whole proceedings have occupied about half-an-hour. The average attendance varies from ten to fifteen. Truly did the last Lord Salisbury remark that "the fighting power is wanting, and the debates cannot be sustained"!

A Lord on the Lords.

Lord Rosebery has given us some excellent anecdotes of the House of Lords on such occasions. The quorum of the House of Lords is three persons. On one occasion he remembers having seen a "noble and learned Lord" address two other persons and himself "for four mortal hours by the clock." When he told this story in the House, Lord Ellenborough protested that he had been present part of the time. Lord Rosebery conceded this for all it was worth. "The noble Lord's attendance, I understand, was only partial, so I may say that there were three and a-half persons in attendance."

But a better story told by Lord Rosebery on the same occasion relates to the behaviour of Lord Lyndhurst when he was alone on the woolsack and was being addressed at great length by a "noble and learned Lord." Let Lord Rosebery speak for himself: "Lord Lyndhurst was naturally anxious to attend a dinner to which he was invited, and as the clock got nearer to eight, that learned person grew more and more impatient. He made every sign, he took out his watch, he interrupted; he might have feigned sleep, for all I know; but this produced no effect on the noble and learned Lord who was addressing the House. At last the Lord Chancellor said: 'This is too bad; can't you stop?' There was no stop. At last Lord Lyndhurst rose, in the full grandeur of despair at the situation, and said: 'By Jove, So-and-so, *I will count you out!*'" As he and the other peer were the only members of the House present, he could, of course, do this, for the quorum is fixed at three.

On the Rampage.

Very different is the appearance of the House of Lords on the occasions when any attempt is being made by the Lower House to cut short their privileges or interfere with the many laws which give to them their social superiority and immense wealth. Then there is a rally from every part of the Kingdom—from Europe, Africa, and America, and the distant islands of the Pacific.

"Hark! hark! The dogs do bark,
Their Lordships are coming to town."

It is a heavy strain that is thrown upon the doorkeepers on such an occasion!

B.—WHAT THEY DO.

I. The Lords' Record in Great Britain.—(i) How they fought Reform.

Such, then, is the manner and spirit in which their legislative work is done by the House of Lords. Let us now see what that work is. In other words, what is their record?

We will begin with the opening of the modern political period, the Reform struggle of 1831-2.

The extension of the franchise, indeed, has been the very Thermopylæ in the warfare of the House of Lords against the Lower Chamber. Except on one occasion, when a Reform Bill was proposed by a Tory administration, they have always fought that extension at every step.

Observing the gradation of replies described in "As You Like It," their answer has only varied between the "Reproof Valiant" of 1832 and the "Reply Churlish" of 1884. Shall we allow the "Reproof Valiant" to take again the place of the later and milder mood? That is the question of to-day.

The Reform Act of 1831-2.

Far and away the boldest instance of the Peers' resistance to Reform was that against the great Reform measure of 1831-2. The fight lasted two years. It was against a measure already overdue by half a century. It was against a people absolutely united in resistance to an obstinate caste. The measure was confirmed in two General Elections. It was passed twice through the House of Commons. And yet, at the very last, it was only accepted by the House of Lords from sheer terror at the threat against their order. The Lords only surrendered because they cared more for social privilege than for political power.

The case in favour of the old unreformed Parliament had been given up by William Pitt before the French Revolution. Pitt had introduced a Reform Bill in 1785, and would have carried it but for the events in France; then came the Red Terror, and though the English system of representation was as absurd as ever, no one any longer thought of changing it. Under the influence of Burke and the fear of the Jacobins, Englishmen rushed back to the old order, and clung to it as a fetish. But by 1830 the memory of these events had become dim, and was only keen among the old aristocracy. The English people were expanding rapidly in population and trade; and this very expansion made them impatient of a mediæval system of government backed during the twenties by ruthless and stupid coercion. For it was sheer mediævalism. The great new towns were unrepresented, while the majority of Members of Parliament came from villages and little towns, under the pressure and influence of Peers.

Dogged Duke's Obstinacy.

Then came the French Revolution of 1830, this time an example of orderly but complete change. France now sent England

a thrill of hope; and every man asked, "Why not get rid of the Duke as France has got rid of Polignac?" For the Duke of Wellington had become the leader and chief of all that was retrograde in our politics. His military mind could not see beyond the necessities of discipline and cohesion. He had given way on Catholic emancipation from fear of rebellion; but that only made him the more obstinate about Reform.

It was the Duke's obstinacy that first set the heather on fire. George IV.'s death in the summer of 1830 sent a sigh of relief through England. Hope revived; the era of repression seemed at an end; the very manners of the new bluff Sailor King, least majestic of Royalties, seemed to be a promise of better things. A General Election became necessary, and the party on the side of Reform increased by fifty votes. Lord Grey pronounced for Reform on the Address. The Duke of Wellington uttered an absolute negative:

"I am not only not prepared to bring forward any measure of this nature, but I will at once declare that, as far as I am concerned, as long as I hold any station in the Government of the country, I shall always feel it my duty to resist such measures when proposed by others."

On the next day, it had been arranged that the King and the Duke should go to the banquet at the Guildhall. But the attitude of the people was so hostile that they thought it wiser not to go. On November 15 the Duke's Government was defeated in the House of Commons by a majority of 29 on the King's Civil List—a blow both at the Duke and the King. Lord Grey was sent for, and formed his first Reform Ministry.

The Second Dissolution.

This was in November, 1830; but it was only the beginning of the fight. The new Government was composed partly of old Whigs and new Radicals, but happily the new Radicals had the drafting of the Reform Bill. It was a drastic—almost a revolutionary—measure. Fifty-nine boroughs were disfranchised outright, and forty-seven lost one of their Members. The vacant seats were distributed to the new towns. The Tories received the Bill with shouts of laughter. But the Radicals were delighted, the Reform party closed up its ranks, and the Bill, brought in on March 1, passed its second reading by a majority of one.

So far, so good. But it was clear that another Dissolution was necessary, and the Reformers faced it cheerfully. The Lords, divided in mind, tried to resist it, and obstructed the King's Commissioners in announcing the Dissolution. This made the King angry; he rushed down to the House of Lords and broke in upon the wrangling, raging peers, set his crown on his head, although he had never been crowned, and immediately dissolved Parliament.

The Reformers went to the country with the cry of "the Bill, the whole Bill, and nothing but the Bill." They swept everything

before them. They returned Grey's Ministry with an immense majority, passed the Bill with a majority of 136 on the second reading, and 109 on the third, after a struggle of forty nights in Committee, and sent it up to the House of Lords in October, 1831.

It was instantly thrown out by the Lords on its first reading by a majority of 41. Then, as now, General Elections and majorities of the House of Commons went for nothing when the privileges of the Upper Chamber were really threatened.

Policy of Peer-Making.

Then began the final struggle, now grim as death throughout the country. The peers hoped for another Dissolution, and waited. But the country would not stand it.

The Ministry responded to the call of the nation. Without any hesitation, a new Reform Bill was prepared, and brought into the House on December 12, 1831. It passed the Commons by 116 on March 23, 1832, and was sent up to the Lords with the clear intimation that the Government were considering the policy of advising the King to create peers.

The dread of that possibility at once began to work. A party arose among the peers, who were called the "Waverers." They opened negotiations with the Government, and the Government hinted at possible concessions. Enough peers entered these negotiations to pass the Bill through its second reading in the Lords by a majority of nine. Earl Grey, always for peace, offered more concessions, and Reform might have been carried in a very diluted form. But the Duke stamped his iron heel on the negotiations, crushed out the "Waverers," and defeated the Bill on an amendment by 35. Lord Grey, now really angry, immediately asked the King for the power to make peers. The King refused; Grey resigned; and the Duke of Wellington was sent for.

Then, indeed, the fury of the people broke bounds. The mobs in the street insulted the King and hunted Peers. The political clubs in the big towns, nominally suppressed by the Whig Government, but still very active beneath the surface, deliberately prepared for a rising. The Reformers began to organise a run on the banks. The great aim was to prevent the Duke from dragooning the people.

The Duke was "game" to the last. He was willing to form a Government if anyone would join him. He was willing to put down the people if anyone would fight with him. But no one would join him; and it was notorious that the army was neither big enough nor loyal enough for such work. The House of Commons shouted down his men, and voted confidence in Grey. There was no chance of a better House of Commons. So, reluctantly, after a week of vain effort, the Duke found the task impossible.

The King then turned again to Grey: Grey held out for his old terms—enough new Peers to swamp the opposition to the Bill. Fifty at least—possibly a hundred—would be required. The King

argued, pleaded, implored. He circularised the Lords with his own letters, imploring them to stop opposing the Bill. He promised anything but this. But the Tory Peers would give no pledge. They fought to the very end. It was not until the King at last, on May 18, wrote a letter giving Grey the permission he asked for, that the Duke fled out of the Lords with 100 followers after him.

After that the battle was won. With that letter in his pocket Lord Grey drove the Bill through easily, and it passed through the Lords on June 4, 1832, by a majority of 84. There was no need to create Peers. The threat had done its work.

"The Leap in the Dark" of 1867.

This Bill of 1832 was, as everyone knows, but the first of a series of Reform measures, gradually broadening the bases of popular power, and extending the suffrage both in town and country from the middle to the working classes. The second of these Bills was brought forward in 1867 under somewhat peculiar circumstances. Mr. Gladstone had just been defeated on the policy of a Reform Bill, and Mr. Disraeli came into power, presumably with the object of carrying out an anti-Reform policy. But that ingenious statesman was soon found to have other ends in view. It was one thing to defeat Mr. Gladstone, and another thing to hold power himself. He was quick to discover that an anti-Reform Government had no chance of remaining in office. Once this discovery was made, Mr. Disraeli, to do him justice, had no hesitation. He went into the "same line of business" himself. He brought forward a Reform Bill stronger than Mr. Gladstone's, and proceeded to "educate his party" up to its level. The boast that he had "dished the Whigs" served to obscure the fact that he had dished the Tories also, and in a far more dangerous sense.

The House of Lords found itself between two fires. If they threw out Mr. Disraeli's Bill, they would only bring Mr. Gladstone into power and fare worse. But more serious still, they would cause a breach between themselves and the Conservative Party, and thus find themselves isolated in the State with both Parties against them. They had to choose between a glorious death and a prosaic metamorphosis into a Tory Standing Committee. They chose the latter course. They passed the Bill, and initiated that modern policy which has caused severe critics like Lord James of Hereford to speak of them as a "wing of the Carlton Club."

But they entered upon this new course with despair in their hearts, and every politician still remembers the famous phrase of Lord Derby as he threw the Bill of 1867 on the table of the House of Lords—"My Lords, it is a leap in the dark."

The "Reply Churlish" in 1884.

Fortunately for their Lordships, it was a Liberal Government that sent the next Reform Bill up from the House of Commons. The last Act had extended the suffrage to the workmen in the

towns without giving it to those in the country. It was impossible that the country districts could for long be left under such a stigma of exclusion. In 1884, therefore, Mr. Gladstone's Government fulfilled its pledges by bringing in a Bill for bringing up the suffrage in the country districts to the level of the towns. But, even so, the proper course for the Lords was not quite so simple as it might seem. Plain downright rejection might have its fascinations, but it would be extremely embarrassing to their Tory allies in the Lower House. For the Tories were not willing to have it said that they opposed this measure of reform.

Faced with this problem, the Lords fell back on a familiar trick. They refused to pass the Reform Bill unless it were accompanied with a Bill for Redistribution of Seats. In both cases their action implied a claim to dictate the procedure of the Lower House. Mr. Gladstone had solemnly promised the Redistribution Bill for the following Session, and the two questions were quite distinct. Lord Salisbury's method was obviously only a trick for defeating the Bill altogether.

Met by the "Reproof Valiant" from the Country.

The trick failed. As in 1832, the country refused to submit to the dictation of the Lords on the subject of Reform. Many of us remember the great popular agitation in the autumn of 1884, led by Mr. Bright, Mr. Chamberlain, and Mr. Gladstone, and ending in a compromise—largely brought about, as we now know from Lord Morley's "Life of Gladstone," by the intervention of Queen Victoria. It is said by some that the Lords gained their point; it is more important to observe that the Commons gained theirs.

The Plural Voting Bill.

A recent case of opposition to the reform of the Franchise by the House of Lords is unfortunately an instance of success. One of the great, indefensible, outstanding anomalies of our Suffrage system at the present moment is that electors are allowed to vote in more than one constituency. Wherever a man has a property qualification, there he can vote for a member of Parliament, and there is no limit to the number of places at which he can record his vote. Mr. Joseph Chamberlain in his "Radical days" was vehemently in favour of reforming this system, and on one occasion instanced the case of a clergyman who possessed twenty-three votes. This "reverend pluralist," as Mr. Chamberlain called him, represents an extreme case, but in dozens of constituencies throughout the country the pluralist voter appears in times of elections, with the effect sometimes of depriving the resident population of any genuine power of decision. It is an abuse which has been abolished in regard to the local franchise both for county, town, district, and parish councils, and in regard to County Councils, it was actually a Conservative Government which in 1888 decided that plural voting should not be permitted. It is no small evil, for there is statistical evidence that the plural

voter decides the issue in a very large number of constituencies. At by-elections, when his energy is undistracted by other electoral calls, he may actually reverse the decision given by a constituency at a General Election.

No reform has been more consistently advocated by the Liberal Party, and there was certainly no single proposal which can be said to have been more emphatically endorsed by the country in the great General Election of 1906. And yet it was within a year of that election that the House of Lords contemptuously rejected the Bill for the Abolition of Plural Voting sent up to them by the House of Commons. The majorities in the House of Commons for the Plural Voting Abolition Bill of 1906 were 308 on the Second Reading and 229 on the Third, and yet the Lords rejected it on a declaratory amendment of Lord St. Aldwyn's by a majority of 100 votes.

The London Elections Bill.

The rejection of the London Elections Bill was a yet grosser abuse of the Lords' veto, because it was a measure which, to any fair-minded man, would at once commend itself as non-controversial. It simply proposed to put London, electorally, on the same footing as large cities like Manchester and Birmingham. It passed through the Commons by large majorities, but on reaching the Lords it was, on the motion of Lord Derby, contemptuously refused a Second Reading by a majority of 117 (157 to 40). The Lords would not consent to the removal of a glaring injustice which every year disfranchised 40,000 London electors, mostly working men, for merely moving from one Parliamentary division into another. And the Lords' sole reason was that the Bill, by abolishing the plural vote for London, would involve an electoral disadvantage to a party whose strength is property, not popularity, and that the working man would be likely to vote Liberal.

The Ballot Bill.

But it is not only these reforms of the franchise that the House of Lords has opposed, but all attempts to defend the franchise from abuse or purify it from corruption. There are two chief dangers to which the use of the vote has been found liable. One is intimidation, and the other is bribery. The first of these dangers could only be cured by making the franchise secret, and with this end in view the Ballot Bill was introduced by Mr. Gladstone's Government in 1871.

But such a measure aimed a blow at a very precious aristocratic privilege—the right of controlling votes through the possession of wealth and social power. The blow was especially felt in Ireland, where the landlords had grown accustomed to drive their voters like sheep to the poll. It was not unnatural, therefore, that the Lords should give to the Ballot Bill a strenuous opposition.

They opposed it for two years. In 1871 they managed to avert the evil day by a very ingenious form of the "reply churlish," carrying an amendment to the effect that it was too late in the

Session to deal with so great a matter. The Commons were very patient in those days. They accepted the excuse, dropped the Bill for that year, and sent it up again in the following Session, 1872.

This time the Lords fell back on the second line of defence. Their alliance with the Tory Party precluded them from rejecting the Bill; they therefore set their wits to work to pass it with mutilation. It must be admitted that the amendment by which they tried to knock the bottom out of it was not wanting in ingenuity. It was a form of that policy of "contracting out" for which the Lords have always exhibited a profound affection. The whole object of the Ballot Bill being to prevent publicity of voting, they introduced an amendment to leave it as optional whether a voter should use the ballot or not. But the mere fact of "opting" would have made a voter a marked man. In other words, the moment of publicity would have been merely shifted, and the possibility of controlling votes very slightly, if at all, diminished.

The spurious appeals to "Liberty" by which this amendment—like all such "contracting out" amendments—was justified, fortunately fell on deaf ears, and the Commons stood firm. The amendment was rejected, and the Ballot Act carried in its integrity. But it is as well to remember that if the Lords had had their way we should not have secured the secrecy of the ballot.

They thus encouraged intimidation; now let us see how they supported corruption.

Corruption Encouraged.

Their warfare on this behalf began early. It was only two years after the passing of the Reform Bill—in 1834—that they were asked by the House of Commons to pass Bills disfranchising the "freemen" of Warwick, Hertford, Stafford, and Liverpool on account of the gross corruption displayed by these gentlemen in the first election under the new dispensation. But it happened that the freemen were the special *protégés* of the House of Lords. They have been left as voters in modern democratic England solely owing to an amendment grafted by the Lords on the Bill of 1832; it would have shown an unworthy inconstancy of affection if the Lords had proved unfaithful to them in their earliest need of help. The Bills were thrown out, and the faithful "freemen" of these towns were left to remain as outposts of aristocratic rule in the midst of the new voters.

Within the limits of their powers, the Lords have never ceased to exhibit a similar affectation for the corrupt voter. Is he not after all—they might well argue—engaged in the same warfare as themselves? Ought not his sins to be pardoned in consideration of the annoyance which he causes to democratic government? With such thoughts in their august minds, perhaps, they have twice rejected Bills passed by the Commons with a view to purifying elections. The first occasion was in 1834, when they mutilated a Bribery Bill to such an extent that the House of Commons refused to go on with it. The second was in 1848, when they

managed to defeat another Bill of the same kind by means of one of their old evasive motions pleading a want of time. On this occasion their action was largely guided by their unconcealed affection for certain corrupt voters whom the House of Commons desired to disfranchise.

It is only in more recent years that the House of Lords has been forced by the strength of public opinion to pass Bills dealing more severely with corrupt practices in elections.

(2.)—HOW THEY HAVE FOUGHT THE REFORMED PARLIAMENTS.

Beaten on the question of Reform, the House of Lords has merely readjusted its warfare to the new conditions. Ever since 1832, our history reveals a persistent and almost unbroken hostility on the part of the Lords to the legislative activities of the reformed House of Commons.

That House of Commons found itself, when it assembled after 1832, called upon to give satisfaction to a thousand and one needs of a hitherto inarticulate democracy. For fifty years the legislative clock had been stopped. The natural growth of English society had been checked by that hatred of reform which had been produced in England by a revulsion from the horrors of the French Revolution. The country was in a perilous plight. The Reform Parliament found it decaying from the inertness and corruption of the governing machine. It found the towns governed by corrupt corporations, religious freedom denied to all except members of the Established Church, education refused, and labour bound hand and foot by laws which made free combination a crime. Such were the barriers which the reformed House of Commons had to break down. We shall see that in every step of this work they were faced with the uncompromising enmity of the House of Lords.

Speaking broadly, the great reforming trends of the last sixty years may be classed under three divisions—those towards local and municipal freedom of government, those towards religious freedom, and those towards industrial organisation. We will take these in order and see how the House of Lords acted in regard to each.

A.—OPPOSITION TO MUNICIPAL AND PARISH REFORM.

(i) The Municipal Reform Act.

The strength and proximity of British public opinion prevented the Lords from opposing Municipal Reform on this side of St. George's Channel as long and successfully as on the other. Their powers were limited by the necessities of their political alliance with the Tory Party, and by the wholesome fear inspired by the memory of Earl Grey's achievement.

It was this haunting fear which probably induced them to pass the Municipal Reform Act of 1836, by which the old corrupt corporations were destroyed, and self-government was extended to all the

big English towns except London. This was one of the first results of the new reforming impulse due to the enfranchisement of the middle classes, and the Lords were still too timid of English public opinion to meet it with a direct negative. Failing rejection, therefore, they fell back upon mutilation. Here is a list of the reactionary amendments introduced into the Municipal Reform Bill on its first reading by the House of Lords:

- (1) As in the Reform Act of 1832, they protected their beloved friends *the freemen* from disfranchisement.
- (2) They gave a security of tenure to the old Town Clerks.
- (3) They retained the existing Aldermen *for life*, and enacted that new *life aldermen* should in course of time be elected in their place.
- (4) They deprived the Town Councils of the right to nominate Justices.
- (5) They *excluded Nonconformist Councillors* from exercising Church patronage.
- (6) They insisted on a *high property qualification* for all Councillors.

Of these proposals the Commons proved strong enough to reject (2) and (5), and Life-Aldermen gave place to Aldermen as we know them; but the rest were in large part engrafted on the Bill by the House of Lords, who have thus from that day to this left a characteristic stamp on English Municipal life. It is due to them that Town Councillors have been deprived of their right to nominate Justices; and it is due to them that the representative system in all our towns is largely modified by the power in the hands of the majority to swell their numbers with co-opted Aldermen. The perpetuation of the modern Alderman has been, we may say, the special contribution of the House of Lords to constructive legislation—for the Local Government Act of 1888, thanks to the generosity of the Tory Party, bestowed upon the County Council a similar heritage. Freemen and Aldermen—are they not characteristic echoes of the House of Lords in our public life?

(ii) The Parish Councils Act for England and Wales.

In 1888 the Tory Government introduced a Bill for creating County Councils, after the model of Town Councils, and, much as they resented it, the Lords could not dare to reject. But they were more fortunate with the next, and final, step in extending this hated system of local government. The Parish Councils Bill, though often promised by the Tories, was introduced by the Liberals in the winter of 1893-4. It was only passed through the House of Commons after a big struggle, which encouraged the Lords to a still more uncompromising hostility. Emancipated from the binding conditions imposed on them by the Tory alliance, they were once more “unmuzzled,” and able to show the world their real and genuine feelings towards democratic legislation when proposed by those who believed in it.

They did not dare to reject. The Unionist Party in the House of Commons would not support them. But they did not hesitate to mutilate, and did much towards rendering the Parish Councils Act impotent for good ever since.

This act of mutilation was chiefly memorable for calling forth from Mr. Gladstone that final dramatic challenge to the House of Lords with which he closed his public life, and which remains as a sacred legacy to modern Liberals:—

“ . . . Differences of conviction, differences of prepossession, differences of mental habit, and differences of fundamental tendency between the House of Lords and the House of Commons, appear to have reached a development in the present year such as to create a state of things of which we are compelled to say that, in our judgment, it cannot continue. . . .

“ The issue which is raised between a deliberative Assembly elected by the votes of more than six millions of people, and a deliberative Assembly occupied by many men of virtue, by many men of talent, of course with considerable diversities and varieties, is a controversy which, when once raised, must go forward to its issue.

“ . . . In some way or other a resolution will have to be found for this tremendous contrariety and incessant conflict upon matters of high principle and profound importance between the representatives of the people and those who will fill a nominated Chamber.

“ It is not with the House of Commons to pronounce a judgment on this subject. The House of Commons is itself a party in the case. I have no difficulty in pronouncing a judgment on behalf of the Ministry in the issues that have been raised throughout this year between the two Houses. We take frankly, fully, and finally the side of the House of Commons.”

(iii) Opposition to Reformed Municipalities.

In so far as they have been able, they have followed up the reformed Municipalities with very much the same hostility as that with which they have dogged the reformed House of Commons. The best instance of this is their opposition to the London County Council.

The Lords v. London County Council.

When the Tories at last gave to London in the Local Government Act of 1888 a very much over-due right of self-government they gave that right in a far more limited and restricted form than to any other of the great towns in England. Poor as the gift was, the Lords have ever since made it obvious that they repent the miscalculation of forces which induced them to give it. It required, we fully admit, more than average statesmanship to foresee that a town which was, up to 1906, so uniformly Tory on imperial politics

would manifest a capacity for progress in its municipal affairs. But hunger and misery are hard task-masters, and London for sixteen years returned Progressive majorities to Spring Gardens. In 1907 a party in sympathy with the Lords succeeded at last in capturing the Metropolis. But between 1889 and 1907 the Lords carried on against the Progressive Council one of the most amazing and unworthy vendettas ever witnessed in English politics.

In their hostility to the L.C.C., the Tory members of the Lower House have been always restrained by a consideration of votes; but the Tory Lords have been able to give full and unchecked expression to the enmity felt by a small, rich, irresponsible, semi-residential class of Londoners against a body which has been endeavouring to make life more livable for the great mass of the London people. To these noble Lords, London seems to present itself, if we may judge from their actions, as merely an alternative lodging-house, whither they may resort when weary of country life. In their eyes, the final end of the London poor would really seem to be nothing more than that of paying rent and rates.

Imagine, then, the horror of these noble Lords when a body came to life in London, the tragic and ironical creation of their own hands, inspired by a conviction that its duty was not to job but to govern—that London existed not only for the few but also for the many! Imagine their yet further horror when this body proceeded to propose that they—the few—should contribute towards the improvement of their own property instead of having it improved at the public expense! To such proposals, commonly known under the name of “betterment,” the Lords exhibited in the early nineties an uncompromising opposition, though they were passed by an overwhelming majority in the House of Commons. They have pursued almost every forward proposal of the L.C.C. with the same unrelenting hostility, of which the most recent and familiar example is the prolonged but ultimately futile resistance to the “Over-Bridge” trams.

The provisions of the Local Government Act of 1888 have enabled the Lords to make themselves a permanent thorn in the side of London’s governing body. Every year the Council has to apply to Parliament for the right to spend money, and without special leave it is unable to make any inquiry into the needs of London Government. By opposing or amending this Bill, there are dozens of small ways in which the Lords can hamper the L.C.C. every year—by rejecting tramway schemes, by cutting out open spaces, by refusing their consent to buildings, and even by refusing to allow the citizens of London to have a proper ambulance system. In fact, it is difficult to know in what respect the Lords have not impeded the work of the County Council, except on the occasion when the late Lord Salisbury induced them to give the Council the power to take down the gates and bars that used to block the squares of Bloomsbury, on the ground that they hindered him from catching the train to Hatfield.

It will thus be seen that the House of Lords has treated the London County Council as they are wont to treat Dissenters and Irishmen, and that the newest political alliance is between this outworn Assembly and the effete City Corporation of London, twin relics of the Middle Ages.

(iv) Encouraging Municipal Corruption.

The only reason why the harassment of the reformed municipal government by the Lords has, for the most part, been confined to London, is because the provisions of the Municipal Reform Act of 1836 gave them very little power of interfering with any other big towns. It is only London which, thanks to its enormous privilege of providing a residence for all the wealthiest and most noble people in the United Kingdom, has drawn upon it so much attention from the House of Lords. In dealing with the municipalities of the rest of England, they have confined themselves for the most part to a mild patronage of corruption on a small scale, not unlike their attitude towards the use of bribery in elections for Parliament. Thus it is that they again and again refused in the middle of last century to pass Bills against the municipal mal-administration of charitable trusts, and that in 1836 they rejected a measure for punishing the corporation of Poole by causing it to be re-elected on account of the corruption exercised on its first election. We must take these kindly actions as a sample of what the Lords would have done if they had had the same power of interference with the provincial municipalities as they have enjoyed in the case of London.

B.—OPPOSITION TO RELIGIOUS REFORM.

The record of the House of Lords in regard to religious reform is very much the same both in Great Britain and in Ireland, with this sole distinction—that while in Ireland they have encouraged injustice to Catholics, in Great Britain it is mainly the Jews and the Dissenters that have felt the brunt of their power.

The Votes of the Bishops.

Perhaps the blame for this rests more upon the Spiritual than the Temporal Peers. We can scarcely blame the average Peer for taking his cue on these matters from his spiritual advisers. He might naturally say: "I, for my part, am a man of the world, called upon to decide a religious issue. Here I am supplied with spiritual teachers and advisers; what can I do better than to take their advice?" And what has been the record of the votes given by the Bishops on all these great questions? Here are a few of them:—

1821.—The exclusion of Catholics from Parliament—25 for, 2 against.

1833.—The exclusion of Jews from Parliament—20 for, 3 against.

1834.—The exclusion of Dissenters from the Universities—22 for, 2 against.

Such was the lead in religious matters given to the House of Lords by the representatives of Christianity in the Upper House. We can scarcely wonder that it was accepted with a will.

(i) Their Treatment of the Jews.

Let us see the kind of opposition which, under this heading, the House of Lords gave to the emancipation of the Jews. It was the most protracted of all, and it is impossible not to wonder what Lord Rothschild must think of this part of his noble friends' record, as he sits on the red leather benches of the Assembly which accepted him and his compatriots with such tardiness and ill-will. Here is a table of the hostile majorities of the Lords, as compared with the friendly majorities in the Commons, on the Bill for removing the Disabilities of the Jews and admitting them into Parliament:—

Date.	Commons—For.		Lords—Against.	
1833	...	137	...	50
1834	...	36	...	92
1836	...	17	...	Withdrawn.
1848	...	97	...	35
1851	...	25	...	36
1853	...	51	...	49
1857	...	140	...	32

It was not until 1858 that the Lords gave way after one last characteristic attempt to mutilate the measure, which only gave to the Jews in that year what had been given to the Catholics nearly twenty years before.*

(ii) Their Treatment of Nonconformists.

The policy of the House of Lords towards Nonconformists has been, under the guidance of the bishops, a steadily pursued design to exclude them from the use of national endowments, and to place them under every kind of social stigma.

It is a policy which dates back to the time of the blessed Restoration. At the time of the Reform Act, Dissenters were still under various disqualifications, inherited from the times of the Act of Uniformity and the Conventicle and Seven Mile Acts. Among these were their exclusion from the Universities, their obligation to use separate burial-grounds from those provided by the Parish, and to pay the Church rate in order to support a religion from which they were alien. Besides this, a bar sinister was placed on their marriages, and they were forbidden to hold services in private houses.

On all these points the reformed House of Commons, reflecting the opinions of the whole country, became in the course of time desirous of bringing about a change; but they were always met with prolonged and determined opposition from the House of Lords.

* Uniform with this was the rejection in 1841 of a Bill for admitting Jew to the City Corporation.

still maintaining the old bad traditions of religious intolerance and monopoly.

"The Lords' Delay."

The House of Commons, it may be said, finally had their way. Why, therefore, rake up a dead controversy? But in each case the Lords succeeded in producing a prolonged delay before the reform determined on by the country was carried out. And in legislation, delay is often as harmful as defeat. The combination of circumstances which might crown a measure with success at one particular moment may never recur. A postponed measure takes away gratitude, and produces a resentment that may make it a curse instead of a blessing. There is no greater fallacy than to say that delay is always a good thing. A genuine statesman cannot be in too great a hurry to remedy an evil. The following weary delays of justice for the Nonconformists by the action of the House of Lords may partly explain the present bitterness towards the Church of England existing among many of them:—

Admission of Nonconformists to the Universities—Delayed thirty-six years (1835-1871) by the Lords' veto.

Abolition of Church Rates—Delayed eleven years (1858-1869) by the Lords' veto.

Opening of Grave-yards to Nonconformists—Delayed seven years (1873-1880) by the Lords' veto.

Such delays are easily spoken of, but they signify a heavy burden of suffering. The House of Lords, and the House of Lords alone, cut off Nonconformists for twelve generations of University life from their national Universities, and then jeered at them for lacking culture. For seven years the House of Lords, and the House of Lords alone, insulted Nonconformists by keeping the remains of their dead out of the churchyards, except on terms of ignominy.

Surely, one would have expected that a body which really believed in the Church of England would have done their utmost to throw open to Nonconformists the doors of those educational establishments where alone they could have felt the attraction of the National Church!

The Abolition of Tests.

Let us throw a brief glance over the vicissitudes which thus caused a delay of thirty-six years in the admission of Nonconformists to the Universities, a delay of eleven years in the Abolition of Church Rates, and a delay of seven years before the parish graveyards were opened to Nonconformists. The first proposal for breaking down the religious barriers at the Universities was made in 1835, shortly after the passing of the Reform Act. It was but an imperfect concession, for while admitting them to the Universities it confined Nonconformists to their own private halls. But over even this proposal the fight lasted twenty years, and it was not carried until 1855.

The main fight began nine years later, when, in 1864, the

Nonconformists gained the consent of the House of Commons to complete admission into the Universities on equal ground. The Lower House at first contented itself with resolutions, but the growth of opinion was so rapid and the justice of the case so obvious that in 1867 a Bill for abolishing tests was carried through on its Second Reading without a division, and sent up to the Lords. The reply of their lordships was prompt and characteristic. It was the "Reproof Valiant." The Bill was thrown out by a majority of 74 to 46. This process was repeated in 1869 in regard to a Bill of the same kind by an even larger majority, and it was not until 1870 that the Lords even consented to refer the question to a Select Committee. This, with the House of Lords, is a method of "climbing down." The Select Committee reported, and in 1871, they consented, at last, to abolish University tests.

Abolition of Church Rates.

The story of the eleven years' delay over the abolition of Church Rates is so very similar that a recapitulation is unnecessary. As with tests, there was a long resistance, followed by reference to a Select Committee, and a sudden collapse. In 1858 the Lords rejected the proposal by a majority of 151; in 1860 the majority had dwindled to 97; in 1867 it had gone down to 58; and in 1869 came the Select Committee and the passage of the Bill. The following table tells its own tale:—

	Majority for in Commons.				Against in Lords.
1858	...	...	54	...	151
1860	...	...	89	...	97
1867	...	...	76	...	58
1869	...	...	Select Committee and Collapse.		

Opening of Grave-yards.

The way in which the Church of England has at times abused its strength could not be better illustrated than by the fact that the Nonconformists had to wait until 1873 before even in the people's House a resolution was carried in favour of opening the grave-yards to Nonconformists. But if this "fruit of justice ripened slowly" in the House of Commons, it took even a longer time in the House of Lords. In 1876 the proposal was voted down by 148 to 92, and it was not carried until 1880. Even then the issue was not reached until after a severe struggle between the Houses over the amendments proposed by the Lords, which would have rendered the whole proposal futile.

The Education Bill of 1906.

But, of course, the most recent and conspicuous instance of the Lords' behaviour towards Nonconformists is shown in their deliberate refusal to allow the Education Act of 1902 to be amended in such a way as to do justice to the Nonconformist grievances. The election of 1906 was undoubtedly fought very

largely upon this issue, and the Archbishop of Canterbury himself admitted that the victory of that year carried with it a mandate for popular control and the abolition of sectarian tests in the schools. This is what he said on May 3, 1906, on that point:—

“He thought they were bound to admit that there was no question that when the appeal was made to the country, those who now formed His Majesty’s Government and their supporters distinctly declared that there were two principles emphasised in impending legislation, namely, what they described as complete popular control, and what they again described as the abolition of compulsory sectarian tests.”

If this was the appeal of the Liberals at the election, there can be no doubt as to the reply of the country. For at the General Election of 1906 there were returned—

429 Liberals and Labour

83 Nationalists

158 Unionists—

a Liberal and Labour majority (independent of the Irish vote) of 271.

Surely, if ever laws proposed by a Government have been endorsed by the common judgment of the community at large, it is those proposed by a Government with such a majority behind it. Here, at any rate, we have a right to say, were the laws the people wanted.

What happened when the Education Bill was brought before Parliament?

Here in summary form is a history of that momentous destruction:—

The Education Bill was read a third time in the House on July 30th, 1906, by 369 to 177 (Majority 192).

Final majority in House of Commons in favour of Bill, 309.

Wrecked by House of Lords on December 18th, 1906, by 132 to 52 (Majority 80).

In view of this amazing result, we cannot help feeling that there was some force in the very human cry of Mr. Augustine Birrell: “What is the good of winning great electoral victories? What is the good of routing our foe in the open field if, after it is all over, and you have got your victory, got your majority, and got your Government, with a Prime Minister very much to your mind, you cannot fulfil your pledges, and cannot keep the promises you have given to your constituents? You find, on going a few yards down the lobbies of the House, and crossing over to the other side, all the foes you routed in the open field installed, established, and apparently immovable, undoing all your work, mutilating all your work, and substituting something quite different.”

A Political Rejection.

Why was the Education Bill of 1906 rejected? It is no secret that the Archbishop of Canterbury wished for a settlement. He belongs to that group of Churchmen, a group with a very noble

history, who have never refused to believe in the possibility of a common Christian teaching. Here are his views on that point:—

“To declare it to be impossible profitably to convey to the mind of a little child the sacred lessons which Holy Scripture gives in story and precept and psalm and parable, and, above all, in the life and works of our Blessed Lord, unaccompanied for the moment by Church Doctrines of a distinctive sort, to declare this is, it seems to me, to contradict the simple experience of a thousand Christian homes. It is simply trifling with this grave subject to ignore that such instruction lays the foundation upon which the ampler teaching of the Christian Faith can be securely built.”

But Mr. Balfour proved stronger than the Archbishop of Canterbury. Although some of the most powerful chiefs of the Church of England wished for a settlement, Mr. Balfour decided that it was to his political interest that the House of Lords should throw out the Education Bill. In the interval between the Committee and the Report stages in the House of Lords Mr. Balfour issued his orders, and although many powerful influences were brought to bear to arrive at a settlement, he succeeded in persuading the Lords to adhere to their resolution. The result of Mr. Balfour's incitement was that the House of Lords, on the Report stage of the Bill, introduced amendments which absolutely converted the Bill from being an Education Reform Bill into a Clerical, Episcopal, and Sectarian Endowment Bill.

One of the amendments carried would actually have enabled the Church not merely to have complete control of their own rate-aided Church schools, but to carry their control into the Council schools also. Thus amended, the Bill was absolutely an extension of the Episcopal victory of 1902, and there was nothing left for the Government but to move a general disagreement with the Lords' amendments. For those amendments were so hostile to the general spirit of the Bill that it was practically useless to discuss them in detail.

The Wreckage of Peace.

What was the moral of this extraordinary defiance of the public will? It was that the House of Lords can be used at any moment as a political machine to rehabilitate the Conservative party whenever they are defeated in the House of Commons. It exists not as an impartial revising Chamber. It is a “standing Committee” of one Party, passing every Bill of that particular Party, and rejecting every important Bill of the other. This “existing evil”—to use their own phrase—was felt even by the 1908 Lords Reform Committee, who stated in their Report that they felt that the Party in power in the elected Chamber should be able to count upon a substantial following in the House of Lords. That is certainly not the case at present.

Mr. Birrell in 1906 tried to be as conciliatory as possible. He brought in a Bill so moderate that it was denounced by the secularists and condemned even by some of the Nonconformist

stalwarts. He set up two classes of exceptional schools—schools for the Church of England with ordinary facilities, and schools for the Catholics with “extended facilities.” He did everything to meet opposition, he gave the Bishops every possible concession, and yet when the crisis came they acted as though he had granted nothing. The way in which the Lords dealt with the Bill was admirably defined by Lord Crewe: “Your Lordships,” he said, “have made our rules exceptions, and our exceptions rules.” Was this the way to encourage compromise? Was this the way to show that the House of Lords act in a reasonable spirit? Was this the way to show that they were an impartial judicial revising Chamber? The late Duke of Devonshire solemnly warned them that they were doing a dangerous thing. Events have proved his wisdom, for no action has shown to the country more vividly the fact that the House of Lords is not amenable to reason.

During the years since 1906 several efforts have been made to retrieve this national disaster which keeps open this grievous sore in the land. Several other Bills have been put forward by the Education Office, and the Government in 1908 made an endeavour to settle the matter by agreement with the Church. There again the shadow of the House of Lords fell across all hopes of peace. Just when a settlement seemed to be in sight, the extreme party succeeded in capturing the bench of Bishops, and a threat was put forth that they would destroy the proposals of the Government when they reached the House of Lords. In view of that threat, all efforts at settlement were useless, and at the present moment the Education question, after all this fret and turmoil, remains as unsettled as ever. The question arises—Can a Constitution be said to work when a part of its machine is able, in this manner, to thwart and paralyse the whole engine of State?

C.—THE OPPOSITION TO LAND REFORM.

The Scotch Land Bills.

The most conspicuous instance of the Lords' hostility to Land Reform on this side of the Channel up to the time of the Budget struggle was their rejection of the two Scotch Land Bills brought in in 1907 and 1908. Those Measures had received practically the unanimous support of the Scotch Liberal members, but the House of Lords gave them scant courtesy. The Scotch Small Landholders Bill was (1) A Bill for establishing a Scotch Land Court; (2) Giving increased facilities for the enlargement of existing Small Holdings and the creation of new; (3) Giving complete security of tenure to the holders, including the crofters. The Bill occupied twenty-two sittings of the Scotch Standing Committee, and was bitterly opposed by the Tory Opposition. But it was carried through the House of Commons by majorities of 229 on the Second Reading and 127 on the Third. When it went to the House of Lords in August, 1907, Lord Balfour of Burleigh wished to reject it outright, but Lord Lansdowne took a more astute course. He

moved that the Bill should be postponed until the English Small Holdings Bill had been disposed of. The motion amounted to the destruction of the measure, and was carried by a majority of 123. Needless to say, the Second Reading was never resumed.

A similar fate was meted out in 1907 to the Scotch Land Values Bill, a Bill for securing the valuation of land values in Scotland. The Bill contained no recommendation except that the capital value of land, apart from buildings, should be ascertained. It was carried in the House of Commons by majorities of 218 and 139. But it was rejected in the House of Lords by a majority of 87. The leader in the opposition to the Bill was the late Lord Robertson, a Lord of Appeal, who condemned it in language which certainly did not err in excess of delicacy as "doing the dirty work of Scotch Radicalism."

These two Bills were brought up again in the following year, and met with a similar fate. They were carried by great majorities in the House of Commons, and destroyed in the House of Lords. The only difference of treatment between the two years was that the processes were reversed. The Scotch Landholders Bill, which had been wrecked in 1907, was rejected in 1908. The Scotch Land Values Bill, which was rejected outright in 1907, was wrecked in 1908. The methods are really indistinguishable. If rejection seems too bold, then mutilation can always be kept in reserve by the House of Lords as a possible political alternative.

It is only necessary to add that the opposition of the Lords to these Bills has only been equalled up to the present by their opposition to similar proposals in the Budget of 1909.

D.—OPPOSITION TO LABOUR REFORMS.

"But," reply some apologists of the Lords, "though they may be narrow and selfish in their defence of their landed interests, the Lords are at any rate more in sympathy with the labouring masses than the capitalists of the House of Commons. Granted that they are agrarian despots: what does that matter in an industrial community like England?"

The gentlemen who make this defence show a strange ignorance of the elements of economics. If they will read the most elementary primer in that science they will find that the three chief elements in production are—Land, Labour, and Capital. None of these elements can ever be monopolised by one class without serious injury to the whole. Unless the possession of land is regulated by just laws, all industry is hampered—the industry of towns fully as much as the industry of country districts. Is it nothing to the industry of London that it has to pay a toll of seven millions a year to the ground landlords? Is it nothing to England as a whole that it has to pay fifty millions a year to all the landlords together?

But the fact is that the House of Lords allows no exceptions to its rule of defending privilege. Fed from the wealthier classes, and depending for its strength on its alliance with them, it is just

as anxious to defend capital as land, and is only limited in its actions by that standing alliance with Parliamentary Toryism which governs its policy.

In December, 1906, for instance, the House of Lords was compelled to swallow the Trade Disputes Bill, with a very wry face and in spite of strenuous denunciations by Lord Halsbury and several outspoken sympathisers. But the Labour Party must not make too sure. Even on this occasion the Lords tried to take one good bite, and were only frustrated by the unanimity of the House of Commons.

The Trade Disputes Bill.

The story of this episode is indeed so characteristic of the relations between the Tory Party in the House of Commons on the one side and the House of Lords on the other that it is worth telling. The Trade Disputes Bill passed the House of Commons by an unanimous vote on the third reading. But that alone would not have sufficed for its passage through the House of Lords if it had not seemed to Mr. Balfour to be politically expedient that the measure should be passed into law. Accordingly, Mr. Balfour clearly announced in his speech on the third reading that the Bill must pass. "It is too late," he said, "to change the Bill. It is too late to reject the Bill. The Bill, as it has gone through, must, in my opinion, be accepted." Accordingly, the Lords obediently passed the Bill. But they made it run what is popularly called "the gauntlet."

Here are some of the furious but futile blows which the Peers delivered at the measure which they had not the pluck to resist.

Lord Lansdowne:—"They had, at any rate, the right to say that they disclaimed all responsibility for it, and to express their hope that the common sense of the employers and the employed might prevent any untoward consequences arising from the reign of licence which the recklessness of the Government was about to inaugurate."

Lord Halsbury:—"This was a Bill for legalising tyranny."

Lord Balfour of Burleigh:—"It would give licence where there ought to be restraint; and law-breaking would be encouraged where there ought to be obedience."

If they really thought so badly of any proposal, ought they not, if they had been true patriots, to have fought against it to the last ditch?

But in this case, as in many others, the policy of the House of Lords may be defined in Mr. Gladstone's famous phrase: "Mistrust of the people qualified by fear."

The Coal Mines (Eight Hours) Bill.

So much for their record on the Trade Disputes Bill; but the Labour Party will be gravely misled if they imagine that this is characteristic of the Lords' true attitude towards Labour reform. Their hostility to Labour reform is just as intense as towards

Liberal reform, only it is limited by the tactical desire of the Tory Party in the House of Commons to avoid a permanent quarrel with the Labour Party in their constituencies. This was curiously shown by their attitude towards the Coal Mines Eight Hours Act of 1908. That measure was at first threatened with destruction by the House of Lords; but they were again warned by Mr. Balfour in the third reading speech that complete annihilation would not be politic. The Bill passed through all its stages in the House of Commons by a large majority; but Mr. Herbert Gladstone thought it wise to conciliate the employers by excluding both windings from the eight hours' reckoning for the first five years. The Tories came to the conclusion that they could venture on some slight change in that regulation. So the Lords attempted two amendments:—

(1) Both windings to be excluded permanently in the computation of the eight hours, and not for a temporary period (five years).

A temporary expedient, proposed to meet the convenience of colliery management, was to be changed into a permanent state of affairs.

(2) As the Bill left the Commons the Bill was to come into operation on July 1st, 1909, except in Northumberland and Durham, where the date was January 1st, 1910. The Lords altered the date to January 1st, 1910, without any exceptions.

The Bill returned to the House of Commons very late in the year, and was known to be in jeopardy. In order to save it from destruction, the Labour Party reluctantly agreed to accept the first of these amendments, and the Government, therefore, came to terms on that basis. But the result is that the eight hours day given to the miners lost much of its grace and completeness. Both windings are permanently excluded, and the day, therefore, is really extended to an average period of eight and a-half hours. The miners have already shown their dissatisfaction with the Act as it is now framed, and will have to pass through another period of agitation before they obtain what they want. It is thus that so often in minor reforms the House of Lords just interferes sufficiently to prevent reform from satisfying and appeasing public opinion.

THE HOUSING AND TOWN PLANNING BILL.

That the Housing and Town-Planning Bill was not destroyed by the ruinous amendments carried in the House of Lords was due to two causes; the firmness of the Government and the well-grounded suspicion of the Lords that they were making themselves look more than usually foolish by claiming to be considering the wishes of the people in their rejection of the Budget while they offered an insuperable obstacle to the improvement of the people's dwellings. The Government simply refused to entertain the Lords' proposals to make the process of acquiring land for housing and of clearing "slum" sites prohibitively costly and dilatory. In face of that refusal the Lords took up an attitude similar to that which they assumed towards the Old Age Pensions Bill. In that case Lord

Lansdowne urged his followers to "throw upon His Majesty's Government the sole and entire responsibility for a measure which the Lords regarded with great apprehension," because he dreaded the effect of the accusation to which they would otherwise justly have laid themselves open, that of robbing the aged and deserved poor of their pensions. And in the case of the Housing Bill Lord Salisbury said that the motive of the Lords in giving way was to avoid the charge of "having no sympathy with the better housing of the people," while he avowed the hope that, when a Conservative Government got into power, the legislation would be reversed!

E.—OPPOSITION TO REFORMS IN THE ARMY, LAW, PRESS, &c.

(i) The Army.

The opposition of the Lords to the spread of intelligence among the labouring classes has not been supplemented by a corresponding enthusiasm for the choice of intelligent men from the upper classes for high positions in the Army and Civil Service. The struggle over the abolition of Army Purchase is a standing confirmation of Mr. Matthew Arnold's description of the British aristocracy as "barbarians."

This struggle took place in 1871, soon after the experience of the Franco-German War and the revelations made by two Army Commissions had shown the danger to the country arising from the use of army commissions as marketable commodities. This use had prevailed for more than a century, and by this time was regarded by the wealthy classes as a vested interest. Theoretically, indeed, the prices of army commissions were regulated by Royal warrant; but, as a matter of fact, they were bought and sold in the open market, and thus a commission had become almost unpurchasable by any except rich men. Posts in the Army were thus becoming closed to intelligence and merit, and open only to wealth—a state of things not only unjust, but also injurious to the safety of the nation. The legal price of a commission was often as high as £7,000, and this was sometimes increased by competition in the open market to something nearer £20,000.

Those who paid these sums put forward bold claims to compensation. There was no dispute as to that compensation, which the Liberal Government persuaded the House of Commons to grant readily. "Parliament," as Mr. Gladstone phrased it in his fine way, "must buy back its own Army from its own officers." The only dispute was as to the existence of the system at all.

The Lords Block the Way.

Needless to say, the House of Lords became the great champions of this as of every other antique abuse. Not, indeed, the House of Lords alone, for then, as now, vested interests had their friends in both Houses. The "Old Guard" fought hard in the House of Commons. The Generals and Colonels obstructed with the dogged

courage of their kind, and it was a pity that such gallant fellows had no better cause to defend. The "Horse Guards" battled hard outside, and every social influence was brought to bear in order to exclude merit and industry from the posts of leadership in the Army. But Mr. Gladstone, then Liberal Prime Minister, succeeded at last in passing the Army Purchase Bill through the House of Commons—and it was sent up to the House of Lords in July. The Lords brought forward a dilatory amendment on the second reading—as with the Plural Voting Bill in 1906—and threw the Bill back in the face of the Commons. For the moment Mr. Gladstone seemed frustrated, and the popular will once again blocked.

The Royal Warrant.

This was plainly a national danger. For the collapse at Sedan in the previous year had reminded the whole of Europe that an army depends on brains, and not money, for success on the field of battle. The shams of the Second Empire had come to a sudden and inglorious close on that bloody field. The shams of England seemed for the moment intolerable, and there was a real spirit of reform in the air.

Mr. Gladstone detected a way out, and he seized it with that daring promptitude which was one of his greatest qualities as a statesman.

The sale of Army commissions was the sole exception to an Act of George III. abolishing the purchase of all Government offices. That Act was passed in 1809, and made this form of traffic a crime in all other cases. Unhappily, it contained this one exception—that Army commissions might be made marketable by Royal Warrant. A Royal Warrant had immediately been issued permitting both sale and purchase; and the traffic had gone on ever since. But what had been established by Royal Warrant could be abolished by the same means. It was the Monarch who had used the Act of 1809 for the purpose of setting up this traffic. The Monarch could abolish it.

Once this fact was grasped, Mr. Gladstone acted with his usual speed. The Lords rejected the Government's Bill on July 15. On the same day Mr. Gladstone wrote to the Queen: "The Government think the first step would be to abolish the warrant under which prices of Commissions are fixed." The Queen raised no objection, and the matter went rapidly forward. On July 19 the new warrant was drawn up, and signed by the Queen. All she asked for was for "some more formal expression of the advice of the Cabinet than was contained in an ordinary letter from the Prime Minister dealing with this, among other matters." Ministers immediately agreed, and drew up a Minute stating their reasons. On July 20 Mr. Gladstone announced in very brief and simple terms the abolition of purchase by Royal Warrant to the House of Commons.

The Lords Climb Down.

Then immediately began "the scandal and the cry." Mr. Disraeli, then leading the Opposition in the Commons, instantly jumped up and denounced the action of the Cabinet as a misuse of the Prerogative of the Crown "disgraceful to the House of Commons," and described Mr. Gladstone's action as a "shameful and avowed conspiracy of the Cabinet against the House of Lords." Mr. Gladstone denied that his action was strictly an employment of the Royal Prerogative. "By statute it is enacted that any such description of purchase as it may please Her Majesty to allow by Royal Warrant shall be legal, respecting which Her Majesty may be addressed to abolish it by Royal Warrant." His plea, in other words, was that this was simply an application of statutory power by the Government of the day. He ended with a characteristically Gladstonian hint to the House of Lords: "It is not for me to presume to anticipate the particular course which will be taken by the House of Lords, but in considering this matter we have no other object in view but simplicity, despatch, and the observance of Constitutional usage."

"Simplicity" and "despatch" were certainly at once achieved. The House of Lords found themselves between two fires. If they continued to reject the Bill they would simply deprive the Army officers and the brokers of their compensation. If they climbed down, it would be the admission of defeat. The first course was heroic, but expensive. They chose the second.

The Army Purchase Bill had been read a third time in the House of Commons on July 3 by a majority of 58. It was rejected by the House of Lords on July 15 by a majority of 25. The Royal Warrant was issued on July 19-20. The Bill was taken up afresh by the Lords a few days after, and passed its final stage, under protest, on July 31.

(ii) The Law.

The House of Lords, we have seen, is in law the final Court of Appeal for the nation, and performs this function better than any other because it hands over the task to non-hereditary experts known as Life Law-Lords. But, unfortunately, it has not regulated the subject of legal reform in a similar manner. This is still left to the ordinary processes of hereditary ignorance and prejudice. Thus it is that while in this respect the House of Commons is by no means a progressive assembly, the House of Lords is on all occasions reactionary. In the pre-reform days, long after the House of Commons had realised the iniquity of using the death penalty for nearly 200 offences, the House of Lords still maintained it. Similarly, when the House of Commons had agreed to abolish the imprisonment of debtors along with criminals, the House of Lords still defended it.

The passage of the Reform Bill made little difference. Up to 1836, prisoners were allowed no counsel for their defence unless able to pay for it themselves, and were denied copies of the deposi-

tions which formed the ground of their indictment. The Commons tried to remove this injustice by the Counsel for Prisoners Defence Bill; but for two years—in 1835 and 1836—the Lords compelled the House of Commons to drop this measure. In the same way they resisted for many years the reform of the County Courts, and have in recent times done their utmost to prevent the reform of the Court of Chancery.

(iii) The Press, &c.

The struggle between Mr. Gladstone and the House of Lords in 1860 over the Paper Duty is a famous incident in modern politics. Mr. Gladstone only saved from destruction the measure which has given us the boon of the modern cheap press by evading the opposition of the House of Lords and including the Paper Duty in the Finance Bill. In other words, Mr. Gladstone, skilled in overcoming the opposition of the Upper Chamber, gave to all future politicians "a lead" by defeating them through their constitutional inability to interfere with finance. It is this inability which has prevented them from interfering with that modern system of democratic taxation represented by the Income Tax, with the freeing of our trade, and last, but not least, with the graduation of the Death Duties which was achieved in Sir William Harcourt's Budget of 1894. What the House of Lords would have done with these measures if they had been able to interfere with them is best left to the imagination of those who have studied their record in other respects.

One Man Against an Assembly.

It might be worth the while of some of our cheap popular journals to reflect that but for Mr. Gladstone's courageous action in 1861 their very existence would have been impossible. The House of Lords would have permanently barred the way. It was quite easy for the Peers to do so. For there was little enthusiasm in the House of Commons on behalf of Mr. Gladstone's Paper Duties Repeal Bill. Lord Palmerston, the Prime Minister, was definitely opposed to it, spoke for three-quarters of an hour against it in the Cabinet, and wrote to the Queen that if the Lords threw out the Bill "they would perform a good public service." These things leaked out, and the result was that the Commons passed the Bill, on May 8, 1860, by a small majority of nine only, and the Lords immediately decided to throw it out.

Those who care to wade through Hansard will find in Lord Lyndhurst's speech against the Paper Duties Bill the ablest possible statement of the position of the House of Lords at that moment. He did not dispute that the Lords had "no right whatsoever" to amend a money Bill. He accepted the resolution passed by the House of Commons in 1671: "That in all aids given to the King by the Commons the rate or aid ought not to be altered by the Lords." He did not dispute the resolution of July 3, 1678, on which the financial freedom of the Commons ultimately rests:

"That all aids and supplies and aids to His Majesty in Parliament are the sole gift of the Commons; and all Bills for the granting of any such aids and supplies ought to begin with the Commons; and that it is the undoubted and sole right of the Commons to direct, limit, and appoint in such Bills the ends, purposes, considerations, conditions, limitations, and qualifications of such grants; which ought not to be changed or altered by the House of Lords."

Lord Lyndhurst's recognition of these resolutions is a striking and suggestive reminder of the part which the resolutions of the Commons alone have played in this strife, and the majesty which attaches to a rule of the Constitution which can be supported by the Speaker's authority alone.

But though Lord Lyndhurst admitted that the Lords could not amend, he claimed the right to reject, and based it on an admission made in a protest of the Commons in 1689: "As the Kings or Queens, by the laws and constitutions of Parliament, are to take all or to leave all in such gifts, grants, and presents from the Commons, and cannot take part or leave part, so are the Lords to pass all or reject all, without diminution or alteration." That unfortunate admission of the Commons—which applied of course, not to the modern Finance Bill which includes all the taxes of the year, but only to the Tax Bills which were sent up separately before 1861—proved enough for the Lords, and the Paper Duty Bill was thrown out on May 21 by a majority of 193 to 104.

Mr. Gladstone was now in a position that would have dismayed a smaller man. His Bill had passed the Commons by only nine votes; it had been thrown out in the Lords by 89. His Prime Minister was openly jubilant, and could with difficulty be restrained from showing it in his charming, open, Irish fashion. The Whigs "out of office and perhaps in"—so writes Phillimore—were "abusing Gladstone roundly." But he was indomitable. He fought Lord Palmerston in the Cabinet, and forced him to appoint a Committee of Inquiry.

The Great Commons' Resolutions.

The Committee was appointed, investigated precedents, found that the Lords had exercised their right of rejection in only thirty-six small Bills since 1714, and so virtually confirmed Mr. Gladstone's description of the Lords' conduct as a "gigantic innovation on the Constitution." Lord Palmerston was still as mild as milk. He was all for letting the Lords off lightly. Mr. Gladstone could not lend him fire, but he could persuade the Cabinet to frame three resolutions against the Lords, which Lord Palmerston found himself compelled to move on July 5. Lord Palmerston's speech was deprecatory and apologetic, but nothing he said could diminish the force of the third resolution, which marked a definite step in the forward advance of the Commons: "That to guard for the future

against an undue exercise of that power (the power of rejecting Finance Bills) by the Lords, and to secure the Commons their rightful control over taxation and Supply, this House has in its own hands the power so to impose and remit taxes, and to frame Bills of Supply, that the right of the Commons as to the matter, manner, measure, and time may be maintained inviolate."

Mr. Gladstone probably knew that the House of Commons must in the end take some step to make that resolution effective. He could bear, therefore, to sit by while Lord Palmerston let the Lords down lightly. But he could not refrain from rising after him, and making a vehement attack on the Upper House—"loudly and tempestuously cheered by the Radicals," as Phillimore reports, "and no one else." The same conviction probably held him up while the rest of the Session of 1860 passed away in inactivity, and the House of Commons seemed for the time to be reduced to a humiliating position.

Mr. Gladstone's Plan.

But the session of 1861 was scarcely opened when Mr. Gladstone was ready with his plan. That plan simply was to include all the finance proposals of the year in one single Bill, and to defy the House of Lords to reject it at their peril. We can but faintly realise at this distance of time how violent was the opposition which he had to face. The Whigs were strong in the Cabinet, and they included many friends of the House of Lords. Lord Palmerston "gracefully" yielded; but his heart was not in the enterprise. But Mr. Gladstone had the country on his side. Lord Palmerston and the Whigs had given away their case when they moved and voted for the resolution of the previous year. Mr. Gladstone's plan was the only practical form of insuring that the "right of the Commons as to the matter, manner, measure, and time (of imposing and remitting taxes) may be maintained inviolate."

The Paper Duty Repeal Bill of 1860 became Clause IV. of the Finance Bill of 1861; it passed the House of Commons by 296 to 281 on "one of the greatest nights," says Gladstone, "in the whole of my recollection"; it went up to the House of Lords as part of the whole finance scheme of the year which the Lords had either to accept or to bring the whole financial machinery of the State to a dead stop; and in the following year the newspaper press of this country leapt into a "vivid, energetic, permanent, and successful" energy which it has never since lost.

Thus by an accident the finance of this country was freed from the interference of the House of Lords, and has never again fallen under its power.

Has not the precedent any moral for us now? Should not the House of Commons find some inspiration in this story of one heroic man fighting against such tremendous odds? Does it not show what a Resolution can achieve when it is backed up by the same quality with a small letter?

II.—THE LORDS' RECORD IN IRELAND.

Let us pass to their record in Ireland.

The Lords have always claimed—and recently exercised in the matter of the Irish Land Bill—a special power to interfere with Irish legislation. It is only just, therefore, to test this claim in the light of their record.

Has this record been marked by sympathy, justice, and knowledge? Or, if this is too high a standard to expect from mortal man, do we find on these doings the stamp of good intentions and good will?

Surely these are not vain inquiries. Put the case before an intelligent foreigner, and ask him to estimate the value of the opinion of the Lords on Irish questions. What will he reply? Will he not say that he must first inquire into their past dealings with Ireland? Will he not ask whether they are personally interested, from the point of view of class or religion, in the maintenance of one or other order of society in that country? Will he not inquire whether they have any quarrel with Ireland from the past?

Their Claim to Deal with Ireland.

And what will he find? Looking merely at the composition of the Chamber, he will discover that, while the main desire of the great bulk of the people in Ireland is to limit the power of landlordism, this is a House in large part composed of landlords; that, while the great majority of Irishmen are Roman Catholics, this House contains twenty-six Protestant Archbishops and Bishops; and finally that the only share of representation in that Chamber possessed by Ireland consists of twenty-eight Irish Peers, nearly all of them Protestant landlords, and many of them owing their seats to their ancestors' votes on the Act of Union. How can these absentee rack-renting Peers be called representative? They have been chosen on a precisely opposite principle, because they are non-representative. Their claim to sit in the House of Lords is based on their enmity to Ireland. They are the "English Garrison." "Lord Muskerry may know something of Ireland," said Lord Rosebery in the Home Rule debate, "but what does Ireland know of Lord Muskerry?" The same question might be asked of any of the Irish Peers, and the answer would be that the only one it knows well is—Lord Clanricarde, the Peer whom a British Government has been obliged to control by a special legislative measure.

Always a Drag on the Commons.

Such would be the discoveries of our intelligent foreigner in regard to the composition of the House of Lords; and if he went on to their record he would not find things much better. I do not, of course, pretend that he would find the record of the House of Commons immaculate. He would not discover merely a black shadow on a background of white. The House of Commons has a large intermixture of the landlord element, and, in regard to

Ireland, has been often misled by differences of religion and race, and by distance of locality. It has passed over eighty Coercion Acts.

But there have always been in the House of Commons lucid intervals of justice, whilst the presence of an Irish body of representatives has prevented the Lower House from ever completely forgetting Ireland's side of the case. The oratory of O'Connell and the tactics of Parnell have effected what a mere sense of justice failed to achieve.

And then, what has happened? Why, at each of these crises in the fate of Ireland, when England seemed almost persuaded to do right to her sister country, the House of Lords has stepped in and done its utmost to perpetuate the policy of selfishness and injustice. The case of the Home Rule Bill was only one of a long series in which the House of Lords has sided with the more selfish mind of the English people, and has refused to give to justice what it has often been compelled to give in the end to riot or rebellion. There is an old saying that we should appeal from Philip drunk to Philip sober. But in appealing to the House of Lords we are appealing from Philip sober to Philip drunk.

Let us test this by their action in regard to Irish Land Reform, Irish Religious Reform, and Irish Municipal Reform. We will take Land Reform first.

(i) IRISH LAND REFORM.

The Crime of 1845.

The first really great crime of the House of Lords against Ireland in the matter of land took place during the Peel Administration of the 'forties. Up to that time the House of Lords had agreed to most Irish Bills, for they were virtually all Coercion Bills. But in 1845 the British Government, with its responsibility for life and order in Ireland, had come to the conclusion that something must be done besides coercion. The Repeal movement had been put down, and O'Connell had disappeared from the scene. But the Devon Commission Report had been issued, and had revealed a condition of affairs as to Irish land that had no parallel in the world. The landlords of Ireland, that Commission discovered, had less responsibility for their tenants than for their sheep or cattle. The tenants were forced to carry out all the improvements; but they might be evicted at any moment or in any numbers. The Report recommended a limited compensation for improvements if evicted within thirty years. Lord Stanley brought in a Bill containing this provision in an even more modified form. But the Lords would have none of it. Thirty-six of them signed a declaration that the Bill was destructive of the rights of property, and should be withdrawn. Lord Stanley referred it to a Select Committee. But the feeling on the Committee was so strong that the Bill had to be dropped.

Within two years came the Irish famine, in the course of which

1,000,000 Irishmen died, and 2,000,000 were evicted from their holdings like rats from their holes, and left to die on the roads or to take refuge across the Atlantic.

The Crime of 1880.

These events made no difference to the Lords. In 1853 the attempt to obtain mere justice for the Irish peasant was repeated by Lord Aberdeen, but his Bill was shelved precisely in the same way as Lord Stanley's. In 1860 a Bill of a more modest kind was rendered almost harmful by the inserting into it of provisions abolishing the common law right to compensation.

These refusals were followed by reverberating sequels in the Fenian rising and the Clerkenwell explosion. It required the roar of dynamite to make the English people listen to justice, and the same bomb that broke the door of the Clerkenwell prison smashed the Irish Church and the Irish landlords.

The English people now realised that there was an Irish question, and slowly, a whole generation too late, there began one of those great convulsive efforts of public opinion which are required to enable the House of Commons to move an inch against the House of Lords.

First came Mr. Gladstone's Land Bill of 1870, to carry out, after twenty-five years, the recommendations of the Devon Commission. But the Lords virtually destroyed all the value of this Bill by amendments refusing compensation for improvements to the following large classes:—

(1) To tenants ejected for non-payment of rent.

(2) To allotments under one acre.

(3) To tenants who sub-let against the consent of their landlords, or gave allotments to labourers.

These amendments destroyed the Bill for all practical purposes, and handed over the whole question for further treatment ten years after.

Then, in 1880, the weakness of the 1870 Act was suddenly brought out by the outbreak of another famine. The result of the famine was that the tenants could not pay their rents. The result of that non-payment was that thousands were evicted. The result of the Lords' amendment in the Act of 1870 was that they lost all their improvements in the act of being evicted, and were turned out on to the road like the Samaritan, robbed as well as homeless. Mr. Gladstone was again in power, and this time he first attempted to meet the crisis by a "Compensation for Disturbance Bill," giving to the evicted tenants the mere just solace of payment for their own improvements. The Lords threw it out by an immense majority, thus sanctioning the heavy crime of robbing the famine-stricken.

The Act of 1881 Mutilated.

But these stupid acts of irresponsible power generally do as much harm to the perpetrators as to those on whom they have

been exercised. The rejection of this measure in 1880 came home to roost in 1881 in the form of Mr. Gladstone's great Irish Land Bill. This was the heaviest blow at the landlords of Ireland ever dealt by an English Minister. It upset the chief dogma of English politicians in regard to Irish land—that everything should be left to "free" contract between landlord and tenant—and set up all over Ireland Land Courts for fixing Irish rents. It gave compensation to evicted tenants. It extended to the whole of Ireland the gift of fixity of tenure.

Needless, to say, the Lords fought this Bill by every possible means in their power. They mutilated it out of all recognisable shape. They sent it down covered with masses of amendments limiting the advantages of the Bill and the class to which they were applicable; excluding sub-tenants, persons defrauded by false leases, and present leaseholders. They lowered the scale of compensation for disturbance, and insisted that a tenant should be taxed on his own improvements. On all these points, fortunately, they were defeated; but they succeeded in carrying amendments which seriously detracted from the value of the Bill, excluding English-managed estates, and cutting out the provision that prevented a tenant from being charged rent on his improvements.

The Irish land legislation that has followed since 1881 has all been consequential on Mr. Gladstone's great Act. The Irish landlords have fought a long, sullen fight for the ownership of land which they would neither control nor develop; but they have been gradually beaten. They have carried on a bitter war against the evicted Irish tenants, and they have resisted every attempt to clear off arrears of rent. But the forces have been too strong for them. The periodical revisions of rent instituted by Mr. Gladstone's Act worked between 1881 and 1895 with a steady process of detrition on their rent-rolls. Faced with the prospect of the total disappearance of rent from land which can scarcely provide a bare maintenance to the peasant, they have finally agreed to part with their rights altogether, and have concentrated their energies on obtaining the best terms under a series of Purchase Acts. During the last Tory Government a great step in this process was carried out by Mr. George Wyndham in the shape of a big Purchase Act, providing sufficient money for an almost complete transfer of the land of Ireland. The Lords kindly allowed that Act to pass. It gave very good value to the landlords of Ireland, pouring an immense indemnity into their pockets.

The Irish Land Bill, 1909.

At any rate, that suspicion can soon be easily tested. The finance of the Act of 1903 has broken down owing to the sanguine over-estimate of Mr. Wyndham. It became necessary, in order to save Ireland from a deadlock, for the British Parliament, under a Liberal Government (1909) to introduce a new Irish Land Bill.

When Mr. Birrell's Bill reached the Upper House the Lords pro-

ceeded to turn it inside out. Out of fifty-nine clauses, thirteen of which were financial, so that it would have been a breach of privilege for the Lords to touch them, while twenty-two were wholly uncontroversial, they struck out twenty-four, completely altered nine, and added thirteen new clauses of their own. The Bill proposed to reconstitute and extend the powers and administrative area of the Congested Districts Board. The Lords reduced its powers, refused to extend its area, and struck out the proposed addition to it of a representative element. Mr. Birrell told the House that "the Government could not be expected to let the Tories in another place draft their measures for them." He therefore moved that the House should disagree with the amendments *en bloc*, which was accordingly done.

When the Bill was once more sent to the Commons with a new set of amendments substituted, Mr. Birrell, in order to save the Bill, made a number of concessions. The most important was the exclusion from the Bill of the power of compulsory purchase in districts outside the congested area, a very serious mutilation, though, as Mr. Birrell said, it was better to have even the restricted compulsory power which the Lords had left than none at all.

(ii) IRISH RELIGIOUS REFORM.

The Bishops' Bench in the House of Lords holds a permanent brief on behalf of the English Church, and it is not to be expected that a body with such advisers should have been just in their dealings with a Catholic country like Ireland.

At the beginning of the century, Ireland was entirely under the heel of Protestant ascendancy. The terrible penal laws were still in force. A Catholic was a disfranchised subject; a Catholic priest was a stigmatised outlaw. Everything was done that conquest could do to convert the Irish Catholics from the error of their ways and to make them good and faithful members of the English Church. And this in face of the fact that Catholic emancipation was promised to the Irish as part price of the Act of Union! Religious tolerance, however, was the great key-note of the nineteenth century, and step by step the Irishman was released from these legal disqualifications.

Catholic Emancipation.

To every step in this process the House of Lords offered a most uncompromising resistance. Even before the passing of the Reform Bill, they twice rejected the grant of Catholic emancipation, and were only driven to consent by the Duke of Wellington's warning of civil war.

But here their sin was partly obscured by the fact that they were not very much more strenuous than the unreformed House of Commons in their bigoted opposition to this act of justice. Once more, the contrast becomes far clearer when we get past the date

1832. The reformed House of Commons had a real desire, up to its lights, to remedy the chief evils of religious inequality in Ireland. In so far as the desire was not active, it was stimulated by the ever-present goadings of the Irish representatives, led by O'Connell.

Reform of the Irish Tithe System.

Accordingly, one of the first questions over which the two Houses came into conflict was the reform of the Irish tithe system. The Irish tithes were contributions compulsorily collected from a Catholic peasantry for the maintenance of a hated Protestant church. They represented an amiable desire on the part of that church to make the Irish cottiers pay the expenses of their own conversion. This desire was not shared by the peasantry. The collection of these tithes gave rise to frequent disorder, punished by the enactment of coercive laws. A slight redistribution of the tithe in 1823 did little to remedy the evil, and the Irish representatives continued to press a more complete reform on the Liberal Ministry. At length Lord Melbourne made a compact with O'Connell which laid the Government under a pledge to reform the tithes on a condition that the Irish would abstain from attacks.

The Lords struck aside the olive branch. Twice—in 1835 and 1836—they rejected the moderate measure of the Liberal Government, on the ground that it contained a clause setting aside part of the funds of the Irish Church for educational purposes. Finally, in 1838, the Bill was squeezed through in a mutilated form, and with the omission of the hated clause.

Disestablishment of the Irish Church.

The members of the Irish Church, had they been wise in their generation, would have exclaimed, "Save us from our friends!" For their only chance of survival was to adapt themselves to the conditions of justice demanded by the modern political conscience. But they preferred to be deaf to the voice of reason, and accepted the fatal friendship of the House of Lords. They waxed proud and intolerant for thirty years, and then came the Nemesis. In 1868 Mr. Gladstone introduced into the House of Commons and carried over the head of a Tory Government a series of resolutions for disestablishing the Irish Church. The House of Lords made a counter demonstration, and rejected the same resolutions. But the country was roused against the long-standing injustice of the Irish Church. Mr. Gladstone came in with a great majority, and the House of Lords was forced to swallow, with every symptom of disgust, a measure to which Lord Salisbury was wont to trace all subsequent woes.

The Irish Church fell because it adopted the policy of the House of Lords in identifying material possessions with spiritual ascendancy.

Again we are faced with the question—does this record of the

Lords exhibit an intelligent tolerance such as is required for the sympathetic government of a nation of different religious faith like Ireland?

(iii) IRISH POLITICAL AND MUNICIPAL REFORM.

The Irish Local Government Act passed in 1898 by the first of the two recent Tory Governments was, like the Irish Land Purchase Act, accepted by the House of Lords as a necessary evil. It was part of the Unionist policy—an inevitable sop to the Home Rule spirit—and it was useless to struggle further. But up to that date the record of the Lords on Irish Local Government was as bad as on Irish Land. All through the nineteenth century they steadily opposed the extension of the Irish suffrage by the rejection of registration Bills and the mutilation of Franchise Bills. In 1839 only five per cent. of the adult males of Ireland possessed the franchise as against nineteen per cent. in England. Even at the present moment it is not so easy for an Irishman to get his vote as for an Englishman.

Similarly, with the municipal franchise. The six great Irish municipalities—Dublin, Belfast, Cork, Limerick, Londonderry, and Waterford—became County Boroughs by a schedule in the Irish Local Government Act of 1898. But in 1835, when self-government was given to the great English boroughs, the Lords mutilated the measure for giving the same benefit to the great Irish towns so badly that the Liberal Government were forced to drop it. Nothing is more remarkable than the mild patience of these early Liberal Governments in their dealings with the House of Lords. People often say that the effect of the House of Lords on legislation is simply to cause a suspense of judgment—a delay of action. Once more they forget how often delay means injustice. In many small Bills, the resistance of the Lords is often fatal. In other measures, like this of Irish municipal franchise, it means one of those compromises which involve a perpetuation of injustice. Thus in this case it was not until 1840 that the Liberal Government of that day at last effected a compromise with the House of Lords by accepting a serious limitation of the Irish municipal franchise. The result was that from 1840 to 1898—for more than half a century—nine-tenths of the inhabitants of the Irish towns were excluded from the municipal suffrage by the act of the House of Lords. It is due to them alone that Ireland so long lagged behind England in municipal government.

Home Rule.

Finally came the defeat of Home Rule by the Lords in 1893. I need not describe here how Mr. Gladstone became a Home Ruler in 1885; how he battled for the principle through eight long years; how the Peers finally beat him, thanks to Irish dissension and English weakness, in 1893.

Since then Ireland has gone on bleeding steadily to death— weaker every year in population, resources, energy, and hope. Since 1880, she has lost a million of her population.

It is the only great victory that the Lords have to boast of. It is characteristic of that body that its greatest memory should be the extinction of a nation's hope.

Are We to Accept Their Judgment?

And now that we have passed in review the policy of the House of Lords towards all the chief demands of Ireland—towards the desires for land reform, religious freedom, and political or municipal expansion—are we not justified in asking what claim this Assembly can have to be the ultimate Court of Appeal in any Irish matter? Would our foreign investigator regard their record as clean? Has their past history shown that freedom from personal interest and prejudice which makes men choose another as judge and arbitrator in a mighty quarrel? Are their title-deeds to their post without blemish?

The blindest partisan could not say so. Here we have the inveterate enemies of the Irish race, the chief cause of all her misfortunes, the men who, as landlords, have oppressed and overridden her for generations. Are we going to place the final decision in such hands as these?

APPENDIX.

(A)—THE “IMPARTIALITY” OF THE LORDS.

A Comparative Record, 1869—1909.

Lords' Rejection and Mutilation of Government Bills brought in by

LIBERAL MINISTRIES.

1869—1874.

UNIVERSITY TESTS BILL rejected
(twice).

LIFE PEERAGE BILL rejected.

BALLOT BILL rejected and subsequently mutilated.

ARMY PURCHASE BILL defeated.

RATING (LIABILITY AND VALUE) BILL rejected.

1880—1885.

COMPENSATION FOR DISTURBANCE (IRELAND) BILL rejected.

LAND ACT (IRELAND) mutilated.

ARREARS ACT (IRELAND) mutilated.

AGRICULTURAL HOLDINGS ACT rejected.

FRANCHISE BILL rejected.

1885—1886.

1892—1895.

HOME RULE BILL rejected.

EMPLOYERS' LIABILITY BILL mutilated and lost.

PARISH COUNCILS ACT mutilated.

LONDON IMPROVEMENTS BILL mutilated.

SUCCESSION TO REAL PROPERTY AMENDMENT BILL (abolishing primogeniture) rejected.

RAILWAY SERVANTS (HOURS OF LABOUR) ACT mutilated so as to exclude men employed in railway shops and factories.

EVICTED TENANTS BILL rejected.

LOCAL GOVERNMENT (SCOTLAND) ACT mutilated.

1906-9.

EDUCATION BILL of 1906 mutilated and lost.

PLURAL VOTING BILL rejected.

EDUCATION (PROVISION OF MEALS) ACT mutilated.

TORY MINISTRIES.

1874—1880.

1885.

1886—1892.

1895—1900.

A Comparative Record, 1869—1909.

Lords' Rejection and Mutilation of Government Bills brought in by

LIBERAL MINISTRIES.

1906-9.

AGRICULTURAL HOLDINGS ACT
mutilated.

TOWN TENANTS (IRELAND) ACT
mutilated.

SCOTCH SMALL LANDHOLDERS BILL
wrecked (1907) and rejected
(1908).

SCOTCH LAND VALUES BILL rejected
(1907) and wrecked (1908).

IRISH EVICTED TENANTS ACT mutilated.

LICENSING BILL rejected.

COAL MINES (EIGHT HOURS) ACT
mutilated.

FINANCE BILL rejected.

LONDON ELECTIONS BILL rejected.

HOUSING AND TOWN-PLANNING ACT
mutilated.

IRISH LAND ACT mutilated.

SCOTCH HOUSE-LETTING ACT mutilated.

COUNTY COURTS BILL wrecked.

TORY MINISTRIES.

1900—1905.

EDUCATION ACT amended in interests of the Church.

(B)—SIR HENRY CAMPBELL-BANNERMAN'S PLAN

On June 24, 1907, the late Prime Minister moved the following resolution:—

“That, in order to give effect to the will of the people as expressed by their elected representatives, it is necessary that the power of the other House to alter or reject Bills passed by this House should be so restricted by law as to secure that within the limits of a single Parliament the final decision of the Commons shall prevail.”

In the course of his speech he said:—

The Government's Plan—First Stage.

Now I come to the outline of the plan which the Government propose. It is proposed that, if a Bill is sent up to the other House, and in the result the two Houses find agreement impossible, a Conference shall be held between members appointed in equal numbers by the two Houses. The Conference will be of small dimensions. Its proceedings will be private, and its object will be to enable each party to negotiate and to seek for a common measure of agreement which the Government might find itself able to adopt.

Conferences between the Houses.

There is nothing novel in this proposal, because the two Houses formerly did meet in Conference; but there were certain incon-

veniences in the procedure, and, whether it was due to the fact that the Commons were expected to go into the other House bare-headed, and to remain standing, or whether it was due to the obvious practical difficulties of arriving at any decision at a joint meeting carried on by a large number of persons in this singular manner, no Conference has been held since 1836. Informal conferences between members of the Government and Opposition in the two Houses have, of course, not infrequently been held since that date, and sometimes good results have followed. But what the Government proposes is that statutory provision should be made for such meetings in the event of disagreement, and that the Conference should occupy a definite place in the transactions between the two Houses.

—Second Stage.

Supposing, then, the Conference to be unproductive. The Bill—either the same Bill, with or without modifications, or a similar Bill with the same object—might at the discretion of the Government be reintroduced after a substantial interval; and by a substantial interval I have in my mind a *minimum* of, perhaps, six months, unless in cases of great urgency. This Bill would be passed through its various stages in the House of Commons under limitations of time—limitations of time adapted to the requirements of the case—discussion being restricted, so far as possible, to the new matter, if any, introduced. The Bill would then be sent up again, so that the other House would have a second and ample opportunity of considering it. If there was still a difference between the two Houses, a Conference might again be summoned.

—Third Stage.

Supposing this time an arrangement again failed, this second Bill would be reintroduced and passed swiftly through all its stages in this House in the form last agreed to, and sent to the other House with an intimation that unless passed in that form it would be passed over their heads. Yet again there would be a Conference, and a further effort to agree.

“Practical, Just, Convenient, and Effectual.”

Now the House will see that the plan which I have sketched gives ample—some will think too ample—opportunities for discussion and reflection, and that it provides full room in the intervals for consideration by the country. And we are convinced that it leaves no opening for hasty or arbitrary action. At the same time, it provides what we regard as indispensable if the Legislature of this country is to be maintained in a condition of effective equilibrium—the power, namely, in the last resort to make the decision of this House prevail. Opinions may differ as to whether this is the best method, but His Majesty’s Government believe it to be practical, just, convenient, and effectual.

(C)—HOUSE OF COMMONS RESOLUTIONS DEALING WITH THE HOUSE OF LORDS.

(1) **The Resolutions passed in the seventeenth century by the Restoration Parliament, in 1671 and 1678.**

The Resolution of 1671 affirmed—

“That in all aids given to the King by the Commons, the rate of tax ought not to be altered by the Lords.”

That of 1678 asserted—

“That all aids and supplies to His Majesty in Parliament are the sole gift of the Commons: and all Bills for the granting of such aids and supplies ought to begin with the Commons, and that it is the undoubted and sole right of the Commons to direct, limit, and appoint in such Bills the ends, purposes, considerations, conditions, limitations, and qualifications of such grants, which ought not to be changed or altered by the House of Lords.”

(2) **The Resolutions passed in 1860 in connexion with the struggle over the Paper Duty are as follow:—**

1st. “That the right of granting Aids and Supplies to the Crown is in the Commons alone, as an essential part of their Constitution; and the limitation of all such Grants, as to the matter, manner, measure, and time, is only in them.

2nd. “That, although the Lords have exercised the power of rejecting Bills of several descriptions relating to Taxation by negating the whole, yet the exercise of that power by them has not been frequent, and is justly regarded by this House with peculiar jealousy, as affecting the right of the Commons to grant the Supplies, and to provide the Ways and Means for the Service of the year.

3rd. “That to guard, for the future, against an undue exercise of that power by the Lords, and to secure to the Commons their rightful control over Taxation and Supply, this House has in its own hands the power so to impose and remit Taxes, and to frame Bills of Supply that the right of the Commons as to the matter, manner, measure and time, may be maintained inviolate.”

(3) **The Resolution of June 24, 1907.**

“That, in order to give effect to the will of the people as expressed by their elected representatives, it is necessary that the power of the other House to alter or reject Bills passed by this House should be so restricted by law as to secure that within the limits of a single Parliament the final decision of the Commons shall prevail.”

We may here note that on December 9, 1702, the House of Lords passed the following resolution against “tacking”:—

“That the annexing any clause or clauses to a Bill of aid or supply, the matter of which is foreign to, and different from, the matter of the said Bills of aid or supply, is unparliamentary, and tends to the destruction of the constitution of the Government.”

(D)—THE LORDS AND FINANCE.

The respective position of the two Houses in the matter of finance is authoritatively summed up by Sir Erskine May in his book on “Parliamentary Practice” in the following passages:—

(1) "The responsibility discharged by the Lords in the grant of supplies for the service of the Crown, and in the imposition of taxation is concurrence, not initiation. For upwards of a century it has been the custom to present messages (for pecuniary aid) to both Houses, if possible on the same day, addressing the demand for the grant to the Commons, and desiring the concurrence of the Lords by the message presented to their House, a procedure which maintains the constitutional relations of the two Houses of Parliament in matters of Supply." Page 573.

(2) "The Lords may not amend the provisions in Bills which they receive from the Commons dealing with the above-mentioned subjects (public expenditure or revenue), so as to alter, whether by increase or reduction, the amount of a note on change—its duration, mode of assessment, levy, collection, appropriation or management; or the persons who pay, receive, manage, or control it, or the limits within which it is leviable." Page 575.

(3) "When the Lords' amendments necessitate an assertion of the Commons' privileges, the disagreement is made on the ground of privilege; and in the message to the Lords from the Commons, communicating the reasons for their disagreement, the assertion of this claim usually takes the form of a statement that the amendments would interfere with the public revenue, or affect the levy or application of rates, or alter the area of taxation, or otherwise infringe the privileges of the House, and that the Commons consider that it is unnecessary on their part to open any further reason, hoping the above reason may be deemed sufficient. This matter of privilege is generally accepted by the Lords, and the amendments are not insisted upon."

(4) The legal right of the Lords to reject any Bill whatever had, until the year 1860, never been extended to "Bills exclusively relating to matters of supply and ways and means." Then the Paper Duty Bill was rejected, and the Commons passed the resolutions of protest in 1860. On that Sir Erskine May says (page 584):—

"The Commons again resolved that the Paper Duties should be repealed, but instead of reckoning the concurrence of the Lords to a separate Bill for that purpose, they included in one Bill the repeal of those duties with the property tax, the tea and sugar duties, and other ways and means for the service of the year; and this Bill the Lords were constrained to accept. The Budget of each year has since that occasion been comprised in a general or composite Act, a proceeding supported by precedent. In 1787 Mr. Pitt's entire Budget was comprised in a single Bill, and during many subsequent years great varieties of taxes were imposed and continued in the same Acts."

It is clear from Sir Erskine May's wording that in his opinion (and on this point there is no higher authority) the rejection of a Budget Bill would have appeared an act not merely unconstitutional, but revolutionary.

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THE LORDS AND LIBERAL LEGISLATION, 1906—9.

A Record of Rejection,
Wrecking, and Mutilation during
the period of office of the
Liberal Government elected in 1906.

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—
1910.

THE STORY IN OUTLINE.

[All Bills were introduced by the Liberal Government, except those marked by an asterisk.]

First Session (1906).

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THE RECORD OF THE HOUSE OF LORDS DURING THE LIBERAL GOVERNMENT, 1906

FIRST SESSION (1906).

(1) Education Bill, 1906, Wrecked.

		<i>For Bill.</i>	<i>Against.</i>	<i>Majority.</i>
COMMONS	Second Reading (May 10th, 1906)	410	204	206 FOR
	Third " (July 30th, 1906)	369	177	192 FOR
	Rejection of Lords' Amendments (December 12th, 1906) ...	416	107	309 FOR
	On adherence to their Amendments (December 19th, 1906) ...	52	132	80 AGAINST
LORDS ...				

MR. BIRRELL'S Education Bill of 1906 may very shortly be summarised as follows:—

(1) All Elementary Schools maintained out of public funds to be under complete public management and control. Those who provide the money to control its expenditure.

(2) No religious tests for teachers.

(3) In all cases where denominational teaching is permitted for children whose parents desire it, the cost of such teaching to be wholly met by the denominationalists themselves. No one to be asked to pay a farthing, whether out of taxes or rates, towards denominational teaching.

(4) Religious instruction retained in all schools at the option of the local authority. All such instruction when given out of public funds to be undenominational in character (under the Cowper-Temple clause).

(5) The control of Welsh Education to be in the hands of a Welsh National Council.

The sequence of events which led up to the destruction of the Bill by the House of Lords at the end of the Autumn Sitting of 1906, can only be traced in the briefest outline. The Bill, as originally introduced, was in the nature of a compromise, in that the assertion of Liberal principles in the region of elementary education was tempered by a generous recognition of what may be called the vested interests of denominationalism. This did nothing to avert the hostility of the denominationalists; but there was little difficulty in passing the Bill through the House of Commons in substantially the same form as introduced, although the Irish Nationalists joined forces with the Unionist Opposition, and the guillotine had to be used in order to prevent the measure from being talked to death.

In the House of Lords, the Bill was read a second time without a division, though it was plainly indicated that this was a mere ceremonial act, meaning next to nothing. Lord Lansdowne declared that the peers could not "entertain the idea of passing it in its present form." There were to be "drastic amendments" (a true prophecy), and the second reading of the Bill meant nothing more than that the Lords were willing to see if they could, by the process of amendment, so transform Mr. Birrell's Bill as to make it acceptable to themselves. In the event, it would have been more straightforward if the Bill had been rejected on the second reading. For when the Lords came to deal with it in Committee, they "reconstituted" it (in the terminology of the Bishop of Manchester) so as to make it, in spirit and effect, a denominational Bill. After the first eight clauses of the Bill had been considered, Mr. Birrell warned the peers that the amended Bill was one for which the Government had "no use"; but the warning went unheeded, and the Committee stage actually took fifteen days—as long a time as was spent on the ten principal Government measures sent up to the Lords in the ten Tory years, 1895 to 1905.

In the interval between Committee and Report Stages, Mr. Balfour, at a function suddenly arranged to give him the opportunity of issuing his orders, commanded the Lords not to give way. This order was obeyed, for on the Report Stage the Lords actually went so far as to insert provisions making it quite easy in single-school districts for the one school to be one of a denominational type, and enabling denominational teaching to be given, in certain cases, in Council schools. The net result of the peers' amendments was to turn the original Bill inside out—"Your Lordships," said Lord Crewe, before it went back to the Commons, "have made our rules exceptions, and our exceptions rules."

When the Bill came back to the Commons, the Government properly declined to waste time in considering *seriatim* the amendments of the Lords, and, wisely creating a precedent in order to meet an unprecedented state of affairs, the House (on December 12th, 1906) "disagreed with the Lords' amendments" by the enormous majority of 317 to 89. The justification for this course is well stated in the formal "reason" entered in the journal of the House. The amendments of the Lords were rejected *en bloc*, because their "general effect" was "to alter completely the character of the measure as it left the Commons, and to contradict the principles on which it is framed."

In the debate in the Commons the most notable thing was the part played by Mr. Balfour. In a discussion marked as a whole by a decided spirit of conciliation, in which Mr. Birrell outlined still further concessions by the Government, Mr. Balfour intervened at the last moment to make mischief, and to insist that the course pursued by the Government meant the destruction of the Bill. But the responsibility was put on the right shoulders in a stinging two-minute speech by Mr. Asquith. "If, contrary to our hope

and desire," said the Chancellor of the Exchequer, "we are unable to attain a permanent and workable solution of this long and embittered controversy, the responsibility for wrecking it lies with the right hon. gentleman."

When the Lords again considered the Bill, Lord Crewe, following the lines laid down by Mr. Birrell, stated the very considerable concessions which the Government were willing to make, in order to save the Bill. There was an adjournment for two days, in which these Government concessions were formally tabled. Private negotiations went on between the leaders of the two parties, but without avail; and on December 19th, 1906, the Bill was destroyed by Lord Lansdowne's motion, in which the Lords insisted upon their amendments. This motion was carried by 132 to 52, the minority including the late Duke of Devonshire, who also made a weighty protest against the wrecking of the Bill. The Bill was dead, and all that now remained to be done was to bury it—a melancholy process performed by the House of Commons on December 20th, after a debate made memorable by a speech of the Prime Minister, in which he declared that a "way must be found, and a way will be found, by which the will of the people, expressed through their elected representatives in the House will be made to prevail.

It is indisputable that the Government had a clear mandate from the electors to insist upon the introduction of popular control, and to get rid of sectarian tests for teachers; their proposals, never extreme as originally presented, in their final form conceded much, probably too much, in a desire to arrive at a settlement. Indeed, it is arguable that the concessions made in the final stages went too far, and would have unduly strained the allegiance of Liberals and educationalists to the Government Bill; but however that may be, the fact that even such concessions as these were rejected proves beyond question that the Government were in no sense responsible for the failure of the Bill to pass into law. The House of Lords was used in order to defeat, in the interests of the denominationalists, the clearly expressed wish of the electors, and Mr. Balfour, having decided that the destruction of the Bill would be of service to his party, did not hesitate, through Lord Lansdowne and his Tory following, to get the Bill rejected.

(2) Plural Voting Bill, 1906, Rejected.

			<i>For Bill.</i>	<i>Against.</i>	<i>Majority.</i>
COMMONS	{	Second Reading (May 14th, 1906) ...	403	95	308 FOR
		Third „ (December 3rd, 1906)	333	104	229 FOR
LORDS ...		Second „ (December 10th, 1906)	43	143	100 AGAINST

When at a General Election the electorate of the United Kingdom elects members who together make up the Commons House of Parliament, any one person may vote in any and every constituency in which he is upon the register. He may not vote more

than once in any one constituency, but there is no limit to the number of constituencies in which he may vote. (Mr. Chamberlain once referred to a "reverend pluralist" possessing twenty-three votes.)

The Plural Voting Bill, introduced in 1906 by Mr. Harcourt, enacted that at Parliamentary elections the rule should be "one man, one vote." This is already the rule in the election of County, Town, District, and Parish Councils. Indeed, it was the Conservative Government of Lord Salisbury which in 1888 settled that there should be no plural voting in County Council elections.

The Bill of 1906 passed through all its House of Commons stages by large majorities, to be contemptuously rejected in the House of Lords, after a debate lasting three hours. The rejection of the Bill was moved by Lord St. Aldwyn in the following resolution:—

"That this House, while willing to consider a complete scheme for reforming the Parliamentary franchise and securing the fair representation of the people, declines to take into consideration a measure which, while professing to remove an anomaly in our electoral system, imposes penalties on persons registered as voters for exercising the franchise with which they are entrusted by law, indirectly destroys ancient and important constituencies, and does nothing to remove the most glaring inequalities in the present distribution of electoral power."

As a fact, this is nothing more than a string of mere excuses. The plain fact is that the Lords rejected the Bill because they did not like it, and because they were advised (by Mr. Balfour and Sir Alexander Acland-Hood, no doubt) that the disappearance of the plural voter would injure the Tory Party electorally—as, indeed, it would and ought.

(3) Education (Provision of Meals) Act, 1906, Mutilated.

The Education (Provision of Meals) Act was originally a private measure introduced by Mr. W. T. Wilson (LRC). It enables local authorities, at an annual cost not exceeding a halfpenny rate, to supplement and assist voluntary efforts, and to provide meals for school children needing them, the cost of such meals to be recovered from parents in a position to pay.

When the Bill was discussed in the Commons, an amendment to exclude Scotland from the operation of the Bill was moved (December 13th, 1906) by Sir H. Craik, the Conservative member for Glasgow and Aberdeen Universities. This was rejected by such an overwhelming majority that the Speaker said a division on it was "frivolously claimed." The minority were made to stand up in their places, and proved to be just ten in number.

Barrie, H. T.
Beach, Hon. M. Hicks-
Bowles, G. Steward.

Bridgeman, W. C.
Carlile, E. H.
Craik, Sir H.
Finch, G. H.

Hunt, Rowland.
Lane-Fox, G. R.
Valentia, Viscount.

Of these only one, Sir Henry Craik himself, is a Scotch member!

In the Lords (December 20th, 1906), Lord Balfour moved to exclude Scotland, and, despite the protests of the Government, this was carried by 28 to 19 majority (9).

The Commons next day (December 21st, 1906), in order to save the Bill—the day was the last of the Session—most reluctantly agreed to exclude Scotland. The Prime Minister (Sir H. Campbell-Bannerman) pointed out that the Bill would certainly be lost if the Commons insisted upon making it apply to Scotland.

(4) Agricultural Holdings Act, 1906, Mutilated.

This measure (introduced as the Land Tenure Bill) amended the law relating to agricultural holdings in a variety of ways in favour of the tenant. Though Mr. Long, on the third reading, described the Bill as it was then as a “fair and reasonable compromise,” the Lords made a very large number of amendments, many of them mutilations. What happened when the Bill came back to the Commons can best be seen by quoting what was said by Sir E. Strachey on behalf of the Government:—

“He would indicate what the Government were ready to do, and would deal first with the amendment whose object was that no difference should be made between existing and future tenancies. The effect of that amendment would undoubtedly be to contract the landlord out of giving any compensation to the tenant at all, and the course the Government proposed to take in regard to it was to leave it an open question to the House. One of the most important proposals of the Bill was that the tenant, so far as arable land was concerned, should have freedom of cropping. The Lords imposed a limitation on that freedom by inserting words to the effect that that must be consistent with the principles of good husbandry, thereby empowering the landlord to say that the tenant must go back to the four-course system. As the Bill was originally introduced freedom of cropping was allowed in respect of pasture land as well as to arable land; but the Government limited it to arable land, and as that was as far as they could go they must resist the Lords’ amendment. Other amendments provided that in the last three years of nineteen years’ leases freedom of cropping should not apply to arable land, and that farms held under current leases of fourteen years and over should be excluded from compensation for disturbance. With both of these amendments the Government proposed to disagree. The Bill provided that the arbitrator should himself decide whether the action of the landlord in refusing to renew a tenancy was for good and sufficient reasons, or for reasons inconsistent with good estate management; but the Lords referred the decision of these reasons to the County Court, with the right of appeal. It was clear that such an amendment would destroy all chance of small tenants obtaining the benefits of the Bill on account of the heavy legal expenses it would involve, and the Government therefore proposed to resist it. The Lords also postponed the date on which the Bill was to come into operation until January 1st, 1909, and that amendment the Government intended to accept.”—(*House of Commons, December 20th, 1906.*)

The Lords grumbled a good deal, but gave way.

(5) Town Tenants (Ireland) Act, 1906, Mutilated.

A measure to provide compensation for improvements to tenants of houses and shops and for unreasonable disturbance to tenants of shops in Ireland. The Lords made four important amendments:—

(1) The Court was directed, in fixing the compensation for the tenant's improvements, to take account of the time the improvements had been enjoyed by the tenant. (2) The clause providing for compensation for disturbance was thrown into a form likely to work less equitably for the benefit of the people. (3) The Bill was declared not to be retrospective—in other words, no compensation was to be paid for improvements made before it became law. (4) The amount of compensation given for disturbance was limited to three years' rent of the premises.

The first two amendments were reluctantly agreed to by the Government in order to get rid of the last two.

(6) Aliens Bill, 1906, Rejected.

The Aliens Bill of 1906 was a private member's Bill, introduced by Mr. O'Grady (LRC). It proposed to exclude foreign contract labour from the country during times of trade disturbance. The question first came up in 1905, when Mr. Keir Hardie twice moved it (May 10th and 17th) as an amendment to the Aliens Bill. On both occasions it was rejected, Mr. Balfour (on July 10th, 1905) opposing it on the ground that it was protective in nature and therefore inconsistent with the Bill, and the Tories voting practically solidly against it. It next appeared as an amendment to the Address in 1906 (February 26th), moved by Sir W. Evans-Gordon, who had twice voted against it in 1905. Mr. Crooks announced the intention of the Labour Party to bring in a Bill dealing with the question, and (on the advice of Mr. Chamberlain, who said they "would be able to say what they had to say" when the Bill appeared) Sir W. Evans-Gordon withdrew his amendment.

The Bill was introduced by Mr. O'Grady on March 21st, 1906. Mr. Chamberlain and his party (who had so recently voted against the same proposal) had now the opportunity to "say what they had to say," but apparently they had nothing to say against it, for by May 8th the Bill had passed through all its stages with the unanimous consent of the House. When it went to the Lords, Lord Ridley (Chairman of the Tariff Reform League) put down a motion for its rejection (in the usual form "that it be read this day six months"). The second reading was taken on May 17th, and though Lord Ridley did not go to the length of moving his motion, the Bill was promptly rejected by 96 to 24 (majority 72). This action was taken not on the merits of the Bill (though Lord Lansdowne called it a "grotesque excrescence" on the Aliens Act,

and an "unfortunate proposal"), but on the plea, put forward by Lord Lansdowne, that the Government had not taken the Bill up. This plea was, in the first place, an entirely new constitutional doctrine invented *ad hoc*, and in the second it was wholly insincere. The real reason of the Lords' action was disclosed by Lord Londonderry:—

"There might perhaps in the future be a strike in some great industry with which was associated the welfare of the whole people, and in such a case would it be wise to forbid the introduction of men into the country who would keep the industry going?"—(*House of Lords, May 17th, 1906.*)

Not the least interesting feature of the matter was the attitude of the Tariff Reformers to the Bill. The Chairman of the Tariff Reform League, Lord Ridley, moved the rejection of the Bill, and in his speech he took—what was Mr. Balfour's view but not Mr. Chamberlain's—that the principle of the Aliens Act was "not a protective principle." He therefore regarded the present Bill as "going beyond the province" of that Act. On the other hand, Mr. Chamberlain wrote (May 24th, 1906) to a correspondent that he "regretted the course taken by the House of Lords," and "was ready to support the Bill."

SECOND SESSION (1907).

(1) Scotch Small Landholders Bill, 1907, Wrecked.

		<i>For Bill.</i>	<i>Against.</i>	<i>Majority.</i>
COMMONS	{ Second Reading (April 30th, 1907) ...	365	126	239 FOR
	{ Third " (August 9th, 1907) ...	190	63	127 FOR
LORDS ...	On motion to adjourn the Second Reading <i>sine die</i> (August 14th, 1907)	39	162	123 AGAINST

The main objects of this measure were (1) to give increased facilities for the enlargement of existing, and for the creation of new, small holdings; (2) to give complete security of tenure to the holders (including crofters); (3) to establish a Scottish Land Court; and (4) to create a Board of Agriculture for Scotland.

The Bill was bitterly opposed in the House of Commons by the Opposition, and its consideration in the Scottish Standing Committee took as many as twenty-two sittings. At every stage Mr. Balfour signalled to the House of Lords, and exhausted the vocabulary of opposition in what he said about the Government's proposals. He even indicated in advance what he hoped the House of Lords would do—which turned out to be exactly what they did do!

On the Bill going to the Lords, the natural instinct of outraged landlordism was to reject it outright, and accordingly Lord Balfour, on the motion for the second reading (August 13th, 1907), moved

its rejection. It was, however, thought necessary that instinct should be qualified by tactics, and to this end, on the following day, Lord Lansdowne stated an alternative line of attack. His proposals, which (needless to say) embodied the policy indicated by Mr. Balfour on the third reading of the Bill in the Commons, involved (as we shall see) his moving the adjournment of the debate. Lord Lansdowne's programme was as follows:—

(1) The postponement of the Scotch Bill till the English Bill was considered.

(2) The English Bill to be "discussed and disposed of."

(3) The Scotch Bill then (a) to be entirely remodelled on the lines of the English Bill as "revised" by them; (b) to be amended as "they believed necessary" so far as it affects crofters; and (c) to have the "whole of its provisions" which savoured of the Irish land system "expunged root and branch."

This second reading debate was never resumed. On August 21st, Lord Lansdowne persisting in his policy, Lord Ripon announced the withdrawal of the Bill, in the circumstances the only course open to the Government. So that the loss of the Bill was brought about as certainly and inevitably by Lord Lansdowne's finesse as it would have been by Lord Balfour's more honest method.

(2) Scotch Land Values Bill, 1907, Rejected.

					<i>For Bill.</i>	<i>Against</i>	<i>Majority.</i>
COMMONS	{	Second Reading (July 10th, 1907)	...	294	76	218 FOR	
		Third " (August 20th, 1907)	...	172	33	139 FOR	
LORDS	...	Second	,, ...	31	118	87 AGAINST	

The Land Values (Scotland) Bill of 1907 provided for the insertion on the valuation roll of each county and burgh in Scotland of an additional column under the heading "Capital Land Value." This was defined as the sum which land and heritages might be expected to realise in the open market at the time of the valuation if (1) divested of buildings, erections, or structural improvements, and fixed or attached machinery, and (2) sold free from all burdens, public and private, except building restorations or other servitudes. The object of the Bill being only the "ascertainment" of land values, no one was to be liable to be rated or taxed on capital land value until Parliament should otherwise determine.

The Bill was carried by large majorities in the Commons, but its fate in the House of Lords was soon settled. The motion for Second Reading (August 26th, 1907) was met by the following resolution, moved by Lord Robertson:—

"That this House declines to proceed with a measure which would have no operative effect, except to cause fruitless expense, and to unsettle and prejudice important questions as to taxation and rating, which it makes no attempt to solve."

This was carried by 118 to 31 (majority 87), and the Bill accordingly rejected. The debate can only be described as having been, so far as the Opposition were concerned, of a piece with the resolution. It was simply a tissue of excuses for rejecting what they, as Tories, hated. Lord Robertson put the pure Tory partisanship of their action beyond all doubt. He actually allowed himself to say:—

“There were certain quack remedies that wanted the semblance of authority, and it was to be given in this way, by putting in the eighth column some nostrums of the Radical Party to accustom the people of this country to deal with them as if they were realities. To that he strongly objected. He had had a long acquaintance with the valuation roll, and had a sort of affection for it. It came of a respectable Whig family, and he would be sorry to see it in its old age become a sandwich-man for advertising the theories of Mr. Henry George, and do the dirty work of Scottish Radicalism.”—(*House of Lords, August 26th, 1907.*)

The action of Lord Robertson, who occupies a seat in the House only in virtue of his judicial position, in taking the lead in the rejection of the Bill was sufficiently open to criticism without this exhibition of crude partisanship. But the Toryism of the ‘revising’ House has rarely been so openly avowed.

(3) Irish Evicted Tenants Act, 1907, Mutilated.

		<i>For Bill.</i>	<i>Against.</i>	<i>Majority.</i>
COMMONS	Second Reading (July 8th, 1907) ..	315	98	217 FOR
	Third ,, (August 2nd, 1908)	228	49	179 FOR

The 15th Article of the Report of the Irish Land Conference—the Concordat between landlords and tenants on which the Irish Land Purchase Act of 1903 was based—ran as follows: “That any project for the solution of the Irish Land question should be accompanied by a settlement of the Evicted Tenants question upon an equitable basis.” The Bill introduced in 1907 was to give effect to this pledge. It sought the compulsory re-establishment as purchasers under the Act of 1907 of some two thousand evicted tenants, provision being made to find land for any tenants dispossessed in the process.

The Peers, as usual, exhausted themselves in denunciation of the Bill, but it was allowed a second reading, only to be “revised” out of all recognition in Committee and on Report. In addition to the “fair market value” of their land, which the Bill already gave them, the landlords were to get (1) the bonus for compulsion under the Act of 1903; (2) 10 per cent. for severance under the Lands Clauses Act of 1845; and (3) all their arrears. Not content with all this, they were to retain their sporting rights. Further, their interests were to be safeguarded at every point by an elaborate system of appeals—appeals about the price, appeals about the compulsion, appeals about everything, appeals from the Estate Commissioners to the Judge of Assize, appeals from the Judge of Assize

to the Court of Appeal. They insisted on the "planters" being given absolute security of tenure, which, on the other hand, they refused to give to the Estates Commissioners by refusing to give them (as the Government proposed) the status of County Court Judges. They insisted that the number of evicted tenants to be reinstated should be limited to 2,000, and the operation of the Bill to three years (finally four).

In its new form the Bill was considered in the Commons and by the Lords again. When in due course it returned to the Commons, five important points of difference remained on which the Lords still insisted. These were:—

- (1) Security of tenure for the "planters."
- (2) Limitation of the number of evicted tenants to be reinstated to 2,000.
- (3) The preservation of sporting rights.
- (4) The 12 per cent. bonus for compulsion (the Lords had given up the attempt to get the 10 per cent. under the Lands Clauses Act).
- (5) An appeal to a Judge of Assize or to the High Court.

Mr. Birrell intimated that the Government would concede the first three, but would resist the last two. After a strong protest by Mr. Redmond, the House agreed to this course, and next day the Lords acquiesced.

Mr. Birrell said that the Bill as passed was a "triumph for Lord Clanricarde," and so it proved to be, for the Lords in their zeal for the planter had made necessary the consent of the landlord as well as of the planter in order to acquire land under the Act. This consent Lord Clanricarde, as might have been expected, declined to give. The case was so flagrant that next year (1908) an amending Act was passed by which the landlord's consent was made unnecessary.

THIRD SESSION (1908).

(1) Scotch Small Landholders Bill, 1908, Rejected.

			<i>For Bill.</i>	<i>Against.</i>	<i>Majority.</i>
COMMONS {	Second Reading	(February 18th, 1908)	347	103	244 FOR
	Third ,,	(February 25th, 1908)	347	90	257 FOR
LORDS ...	Second ,,	(March 11th, 1908)...	33	153	120 AGAINST

In their treatment of the Scottish Land Bills in 1908, the Lords reversed their line of action towards them in the previous year—they rejected outright the Small Landholders Bill, which they had wrecked in 1907; while they wrecked the Land Values Bill, which they had rejected in 1907.

When the Bills were lost in 1907, Sir H. Campbell-Bannerman intimated that they would be re-introduced in the following Session. Accordingly they appeared in the King's Speech of 1908, and were

at once pushed through the Commons under a drastic guillotine motion. The debate on this motion was notable for a passage in Mr. Balfour's speech, in which he quite openly and unmistakably issued his *mot d'ordre* to the peers as to their action, not merely in regard to the Scottish Bills, but for the Session. Mr. Balfour said:—

"I have never attached undue importance to by-elections, but a Government which has had the experience which the right hon. gentleman has recently had (*the Mid-Devon by-election result*) may have it in its power to do a great deal of legislative work, but it is not in a condition to carry out a great revolution. The huge battalions opposite may be diminished only by a unit or two here and there, but you cannot carry out revolutions unless you have something more behind you, and that something the right hon. gentleman has lost, never to be regained. I am not, of course, forecasting the destinies of the great party of which he is the leader; I am speaking of this Parliament, and this Parliament has already lost the power to carry through great revolutionary methods. That power has gone, and never will be recovered."—(*House of Commons, February 12th, 1908.*)

This on the strength of a single by-election result, while affecting to "attach no undue importance" to by-elections.

Before the Small Landholders Bill reached the Lords, two measures had already been read a second time there to give effect to the alternative policy laid down by Lord Lansdowne in 1907—one introduced by Lord Camperdown, applying the principles and methods of the English Small Holdings Act of 1907 to the non-crofting counties of Scotland; the other a Crofters Bill, introduced by Lord Lovat. Both of these Lord Crewe—who said he regarded their introduction as a flouting of the Commons—of course declined to discuss in view of the fact that the Government's measure would so shortly come before them.

The motion for Second Reading in the Lords (March 10th and 11th) was met by a long resolution, moved by the Duke of Montrose, to the effect that the House "declined to pass" a measure which did not embody—the Tory policy on the question. Lord Lansdowne plainly stated that nothing would satisfy them short of the Government "giving way" on the fundamental principles of the Bill, and he intimated their intention to "lay before the agricultural community" of Scotland the Bills of Lord Camperdown and Lord Lovat as "embodying what seems to us proper and reasonable provisions" for dealing with the small holdings question in Scotland. The situation was perfectly described by Lord Loreburn in the following passage:—

"The decision of the Government is that we cannot be parties to the destruction of our own measure and the substitution of some other measure in its place. . . . What we have been asked to do is practically to capitulate to the noble marquis and his friends. I would ask whether any one of your lordships in our place would contemplate doing anything of the kind. We, after all, represent the Government of this country. We are supported by an overwhelming majority on this Bill of Members of the other House of Parliament. We have a still more overwhelming majority of the representatives of Scotland upon our side;

and for my part I have not yet learned to look for the sense of the country elsewhere than in Parliament, and in the House of Commons which represents it.”—(*House of Lords, March 11th, 1908.*)

(2) Scotch Land Values Bill, 1908, Wrecked.

			<i>For Bill.</i>	<i>Against.</i>	<i>Majority.</i>
COMMONS	{ Second Reading (February 19th, 1908)		363	99	264 FOR
	{ Third ,, (February 26th, 1908)		347	90	257 FOR

After two days' debate (March 25th and 26th) the Land Values Bill was read a second time in the Lords, but only after a motion for its rejection, proposed by Lord Ridley, had been withdrawn. Rejection, however, would have been the logical consequence of the debate. The talk was all of "substantial and drastic amendment."

Of the ten Tory peers who spoke, four were for rejection there and then, while not one of the others had a good word to say for it. Lord Lansdowne made a speech which was simply one long catalogue of points which will "require" "examination," "consideration," and the giving of "information," and Lord Ridley consoled Lord Wemyss for the withdrawal of his motion for rejection by pointing out that "if the Bill was not made workable in Committee, there was an opportunity on third reading for the House to express its opinion." An attempt, too, of Lord Lansdowne's to create a legend to the effect that the Lords rejected the Bill in 1907 solely on the ground that it reached the Lords so late in the Session is worth noting. It is true it was late and that Lord Lansdowne did complain, but the lateness of the period at which a Tory Bill has reached the Lords has never yet prevented their passing it, and, apart from this, the fact is, as the terms of Lord Robertson's motion (given above) conclusively prove, they then rejected the Bill, not on the score of want of time, but on its merits.

Any necessity for a rejection motion on the third reading was speedily removed in Committee (May 13th and 14th) by the Bill being "made workable." This was accomplished by making the valuation optional, and substituting "yearly" for "capital" value. The effect of this was, as Lord Halsbury admitted, to "negative the purpose" of the measure. No substantial modifications in these changes were made before the Bill left the Lords, and on December 9th Mr. Asquith intimated that the Lords' amendments "were such as to render it impossible for the Government to proceed with the measure."

(3) Licensing Bill, 1908, Rejected.

			<i>For Bill.</i>	<i>Against.</i>	<i>Majority.</i>
COMMONS	{ Second Reading (May 4th, 1908)		394	148	246 FOR
	{ Third ,, (November 20th, 1908)		350	113	237 FOR
LORDS ...	Second ,, (November 27th, 1908)		96	272	176 AGAINST

The Licensing Bill of 1908 was in clear redemption of unmis-

takable pledges of the Liberal Party. The Bill was a large and comprehensive measure of Temperance Reform which, in the briefest outline, may be summarised as follows:—

(a) The number of licences was to be reduced to a scheduled minimum in a reduction period of fourteen years.

(b) During that period compensation was to be payable (out of a compensation levy from the Trade) for licenses extinguished for redundancy, and at the end of that time the State was to resume its full control, all licences being treated as new, and subject to the payment of monopoly value.

(c) The Bill contained a large number of proposals designed to set right defects and abuses in the control of the liquor traffic, and in the administration of the laws affecting it, and, further, to regulate clubs.

The two main objects of the Bill were to reduce the existing excessive facilities for drinking, and to secure for the State its full and unfettered control over what the experience of centuries has shown to be a dangerous trade.

The Bill secured large majorities at every stage in the House of Commons. After it had been read a second time, a time-table was set up by a closure-by-compartments motion, but ample time was allowed, and as many as thirty Parliamentary days (or six full Parliamentary weeks) were spent in the discussions, which covered every important point. Amendments were accepted by the Government which (a) set up a period of seven years after the fourteen years reduction period, in which there was to be no compensation levy and no insistence upon the payment of "monopoly value," and (b) secured for the tenant, even if only a manager, an equitable share of the compensation award.

The Bill was sent to the House of Lords on November 20th after a division, in which it was read a third time by a majority of over three to one, the minority numbering just a sixth of the whole House. In a week it was dead. It took the House of Lords three days to destroy it on second reading, and throw it on the legislative scrap-heap. But the real time taken was even shorter than that. On the day before the Bill was down for second reading in the House of Lords, November 24th), Lord Lansdowne summoned the Unionist peers—five-sixths of the whole number of peers—to Lansdowne House, and there, in "a famous house in a famous square" (as Lord Crewe described it next day), it took less than two hours to carry Lord Lansdowne's motion for the rejection of the Bill. Here was a Bill supported by a large and influential public opinion outside the Liberal Party (as was shown by the debate and division in the Lords itself), but Mr. Balfour gave the word that it must be rejected. The Opposition tellers were put on against the third reading in the House of Commons, and Lord Lansdowne faithfully and obediently obeyed the signal that by this time has become so familiar. The peers, who are so often represented to us as an impartial and judicial tribunal, met before the trial into which

they go as arbiters, and go into it pledged to an adverse verdict. Even the *Saturday Review* (November 28th), with all its Conservatism and liking for the House of Lords, saw the folly of Lord Lansdowne's ill-inspired strategy :—

“ Lord Lansdowne is the leader of the majority of the House of Lords, and though it may be true that this majority belongs to the Conservative Party, it is not wise to advertise or emphasise the fact. It is well to make your practice square with your theory as far as may be practicable : and, according to the theory of the Constitution, the House of Lords is a second chamber to revise or reject the Bills of the House of Commons. It strikes us as tactless to call a party meeting of Conservative politicians at Lansdowne House, there to decide on the rejection of the Bill, and (worst of all) to publish that decision to the world.”

There was no necessity for the meeting, the *Saturday* added, because, “ whatever course Lord Lansdowne recommended the House of Lords to follow, he would have been obeyed.” The Licensing Bill is not “ allowed ” to pass, not because it fails to win the approval of an impartial Second Chamber, but because a sentence of death is decreed by “ a branch of the Carlton Club.”

One incidental and certainly unintended result of the Second Reading debate on the Licensing Bill is worth putting on record. By declaring in advance that the result of amending the Licensing Bill would be to infringe the financial privileges of the Commons, the Unionist peers have admitted beyond all question that these privileges exist. That was, indeed, pointed out by Lord Balfour of Burleigh ; and Lord Lansdowne, in an interruption to Lord St. Davids, contrived to give away the case of the Lords. Lord Lansdowne said (referring to what took place over the Old Age Pensions Bill) :—

“ While it is the Speaker who decides what is privileged, it is for the Government to say whether it shall press or waive the privilege. I do not blame the Speaker, but the Government.”—(*House of Lords, November 25th, 1908.*)

Lord Lansdowne “ does not blame the Speaker ”—that is, the Speaker correctly interpreted the constitution in declaring that the Lords in making financial amendments infringed the Commons' privilege. It is true that Lord Lansdowne blames the Government for not getting the House of Commons to “ waive ” the privilege, but that is beside the point. What is important is that the existence of the privilege is not contested. This existence is, indeed, indisputable, but it is all to the good that Lord Lansdowne should show that his grievance is in reality, not that privilege is claimed by the House of Commons, but that it is used. He is probably destined to learn before very much longer that the House of Commons is little likely to yield any of its rights and privileges over the finances of the nation, using that phrase in its widest signification, and as covering all proposals which involve either the spending of public money or the securing of money for public purposes.

The amendment which secured the rejection of the Bill, as settled at Lansdowne House, was moved by Lord Lansdowne:—

“That this House, while ready to consider favourably any amendments which experience has shown to be necessary in the law regulating the sale of intoxicating liquors, declines to proceed further with a measure which, without materially advancing the cause of temperance, would occasion grave inconvenience to many of His Majesty’s subjects, and violate every principle of equity in its dealings with the numerous classes whose interests will be effected by the Bill.”

An analysis of the division shows the following:—

<i>No. in House.</i>		<i>For Bill.</i>	<i>Against.</i>
91	LIBERALS	65	
	Paired	4	
		69	1
489	UNIONISTS	19	210
	Paired	1	71
		20	281
26	EPISCOPAL BENCH	12	
	Paired	5	
		17	0
606		106	282

The one Liberal voting against the Bill was Lord Annaly. The 20 Unionists voting or paired for the Bill were:—

*Bute, Marquis of	Esher, Viscount	Monteagle of Brandon,
Balfour, Lord	Falmouth, Viscount	Lord
Braye, Lord	Fortescue, Earl	Normanby, Marquis of
Carlisle, Earl of	Kinnaird, Lord	Peel, Viscount
Cobham, Viscount	Knollys, Lord	Ritchie of Dundee, Lord
De la Warr, Earl	Lytton, Earl of	Stamford, Earl of
Dundonald, Earl of	Milner, Viscount	Stammore, Lord

Both Archbishops (Dr. Randall Davidson and Dr. Maclagan) voted for the Bill, and the following 15 Bishops voted or paired for it:—

*Bath and Wells	Liverpool	St. Albans
Birmingham	London	*Salisbury
Chester	Norwich	Southwark
*Durham	*Oxford	Wakefield
Hereford	Peterborough	*Winchester

(4) Coal Mines (Eight Hours) Act, 1908, Mutilated.

As introduced by the Government in the Commons, the Coal Mines (Eight Hours) Bill excluded the time occupied by one winding in calculating the eight hours. It was carried through all its stages by large majorities, and amended so as to exclude both windings for the first five years.

Its fate in the Lords was precisely what might have been predicted from the speech on third reading of Mr. Balfour, the “great manipulator of the British Legislature,” as the Unionist *Birmingham Post* called him (December 15th). Lord Lansdowne, indeed, repeated Mr. Balfour’s speech, and advised the peers to behave just as they did over the Trade Disputes Act in 1906. The Bill was denounced but accepted, since it did not suit the Tory book

* Paired in favour of the Second Reading.

to come into conflict with organized Labour. The Lords, however, made two amendments:—

(1) Both windings are permanently to be excluded in the computation of the eight hours, and not for a temporary period (five years). A temporary expedient, proposed to meet the convenience of colliery management, was changed into a permanent state of affairs.

(2) As the Bill left the Commons, the Bill was to come into operation on July 1st, 1909, except in Northumberland and Durham, where the date was January 1st, 1910. The Lords altered the date to July 1st, 1910, without any exceptions.

The Commons reluctantly accepted the first of these in order to save the Bill, the second was not insisted upon by the Lords. The result is that both windings are permanently excluded, and the miners are incited to agitate in order to get what they ask for.

FOURTH SESSION, 1909.

(1) Finance Bill, 1909, Rejected.

		<i>For Bill.</i>	<i>Against.</i>	<i>Majority.</i>
COMMONS	{ Second Reading (June 10th, 1909)	366	209	157 FOR
	{ Third ,, (November 4th, 1909)	379	149	230 FOR
LORDS	... Second ,, (November 30th, 1909)	75	350	275 AGAINST

The Finance Bill of 1909 proposed to provide for national expenditure by: (1) an increase of the income tax upon the higher scales of income; (2) an increase of the death duties; (3) stamp duties; (4) taxes upon tobacco, beer, and whiskey; (5) upon motors and motor-spirits; (6) licence duties; (7) taxes upon the unearned increment of urban land and upon land which, having a building value and claiming to pay rates as agricultural land, escaped its natural burdens.

There was nothing new in its principles except that it adjusted the unfair differentiation between large and small licensed houses, and that in imposing new taxes upon land values it required a contribution from land that had gained additional value through the action of the State or had in the past evaded its fair share of burdens, local or Imperial.

The Finance Bill passed the Commons by a majority on its Second Reading of 157, and on its Third Reading of 230.

The Lords rejected the Finance Bill on an amendment moved by Lord Lansdowne—"That this House is not justified in giving its consent to this Bill until it has been submitted to the judgment of the country."

The Budget of 1894 was carried by majorities, on the Second Reading of 14; on the Third Reading of 23. But the late Lord

Salisbury told his followers that, the Bill having been carried in the Commons, the Lords must also pass it, and throw on the Government the responsibility of a "violent revolutionary departure from former principles of finance," which would "work great injustice," and possibly "produce great social evil."

The Lords have now thrown out a Budget which had behind it majorities of 157 and 230. It is obvious that the relations between the Lords and Commons are radically altered, and that the alteration, in a professedly democratic age, is all in favour of an undemocratic, irresponsible Chamber.

Mr. Balfour has admitted that, apart from two features of the Budget, the principles contained in it would have to be incorporated, with whatever modification of details is immaterial, in any future system of Conservative finance. The one solid excuse for the Lords touching the Budget at all would be that the two features to which Mr. Balfour objects embody provisions that are not properly financial in their scope and operations. It might be constitutional for the Lords to throw out "tacked" Clauses. It is not constitutional for the Lords to reject the Budget as a Budget.

The vital point cannot be better presented than in the cogent and lucid statement of the late Lord Salisbury. The House of Lords, he explained, cannot throw out a Finance Bill because it cannot change the Executive Government. The House of Commons may throw out a Finance Bill, because, by so doing, it changes the Executive Government; another Government comes in with another plan for raising revenue. It is not refusing Supply to do this, but choosing another form of Supply. The House of Lords has no control whatever over the form, the amount, the time, or the manner of the grant of taxes to the Crown. When the House of Lords throws out a Budget it is doing just what the House of Commons would be doing if it passed a resolution that there should be no grants or aids to the Crown at all.

As there is only one legitimate ground which might justify the Lords in touching a Budget Bill—that it has "tacked" on to it provisions which have nothing to do with finance—so there is only one legitimate way in which the Lords can exhibit a protest. If there is a real case of "tacking" in the Budget, the Lords have a real excuse for protesting. But they ought to protest, not by refusing supply, but by deleting the offending clauses. The Lords did not do this for two reasons: (1) they knew the accusation of "tacking" was an unreal one. They would not have been satisfied if any provision in which there might be found the shadow of suspicion of "tacking" had been withdrawn. Their objection remains as strong as ever so long as Land and Liquor have to pay their fair share to the revenue. (2) The Lords will not go to the nation with the direct and straightforward acknowledgment that they have opposed the Budget because it taxes Land and Liquor.

What the Lords have done may be succinctly put as follows:—

- (1) They have violated a privilege which has been for centuries the most secure and most cherished possession of the House of Commons.
- (2) They have turned their backs upon the doctrine emphatically laid down, up to the present time, by their own party leaders.
- (3) They have refused Supply to the Crown for carrying on the necessary business of the country.
- (4) They have brought the whole Executive machinery of the country to a standstill.

The motives which inspired the Lords' action are plainly these:—

- (1) They object, as landlords, to the land taxes;
- (2) They object to the taxes on liquor, as members of a party which is closely identified with the Trade; and,
- (3) They were also acting under the influence of the extreme Tariff Reformers, who object to the Budget because it would furnish ample funds for national purposes on a Free Trade basis.

That is, in brief, the history of the fateful rejection of the 1909 Budget by the Lords.

(2) London Elections Bill, 1909, Rejected.

		<i>For Bill.</i>	<i>Against.</i>	<i>Majority.</i>
COMMONS	{ Second Reading (June 4th, 1909) ...	149	46	94 FOR
	{ Third „ (October 18th, 1909)	161	29	132 FOR
LORDS ...	Second „ (November 8th, 1909)	40	157	117 AGAINST

The London Elections Bill of 1909 was of a simple, uncontroversial character. It merely proposed that London should, electorally, be put on the same footing as other large towns such as Birmingham and Liverpool. The chief changes it would have brought about were:—

- (1) That London would be made one borough for Parliamentary purposes;
- (2) That all elections would be held on the same day;
- (3) That there would be no plural voting; and
- (4) That electors would not be disfranchised merely for moving from one Parliamentary division into another.

Although the principal effect of this measure was to prevent the injustice of 40,000 voters in London, mainly working-men, being disfranchised every year, because “successive occupation” failed to give a claim to a vote in London, as it does in Birmingham or Liverpool, the Lords threw out the Bill. The reason given was that the abolition of the plural vote was to the detriment of the Conservative Party.

(3) Irish Land Act, 1909, Mutilated.

		<i>For Bill.</i>	<i>Against.</i>	<i>Majority.</i>
COMMONS	{ Second Reading (March 31st, 1909)...	275	102	173 FOR
	{ Third Reading (September 17th, 1909)	174	51	123 FOR

The main objects of Mr. Birrell's Irish Land Bill were to repair the financial break-down of Mr. Wyndham's Act, and to deal with Congestion. In moving the rejection of the Second Reading, Mr. Campbell said, frankly, that he "could not imagine that the landlords"—that is to say, the House of Lords—"would ever be induced to take this Bill in its present form." But when the House of Lords rejected Lord Dunraven's motion to throw out the Bill, they avowed, with equal frankness, that they did not want to reject it; it contained money. The one proposal in it which they entirely approved was that the Treasury should take over the loss on flotation, which, by the Act of 1903, was to fall on the Irish ratepayers, and which has been so heavy that it is impossible for them to meet it. Their principal objections were to: (1) compulsory sale of the grazing lands, and (2) the sliding scale for the bonus, which was to decrease inversely in proportion to the amount of the purchase-price. But they did not stop amending till they had turned the Bill inside out. Out of fifty-nine clauses, thirteen of which were financial, so that it would have infringed the Commons' privileges if the Lords had touched them, while twenty-two were wholly uncontroversial, they struck out twenty-four, completely altered nine, and added thirteen new clauses of their own. In the original Bill it was proposed to extend the area of the Congested Districts Board so as to include nine administrative counties. As the Bill came back, the area was to remain unaltered. The Bill proposed to reconstitute and extend the power of the Congested Districts Board. The Lords struck out the nine nominees of the county councils who were to sit on the Board, and the two paid members, and took away from the Board its purchasing power and the power of aiding and developing sea-fishing and industries. The Bill provided for compulsory purchase outside the congested districts area; the Lords confined it to that area, and to the purchase only of untenanted land. The effect of their amendments was, as Mr. Birrell pointed out, completely to prevent the Board from using the compulsory purchasing power for the purpose of carrying on its ordinary work. The Government, Mr. Birrell declared, "could not be expected to let the Tories in another place draft their measures for them." He therefore moved that the House should disagree with the amendments *en bloc*, which was accordingly done.

When the Bill was once more sent to the Commons with a new set of amendments substituted, Mr. Birrell, in order to save the Bill, made a number of concessions. The most important was the exclusion from the Bill of the power of compulsory purchase in districts outside the congested area, a very serious mutilation of

the Bill, though, as Mr. Birrell said, it was better to have even that restricted compulsory power which the Lords had left than none at all. The definition of a congested holding, which in the original Bill was one which did not exceed £10 in rateable value, while the Lords substituted £5, was fixed, by way of compromise, at £7.

The Marquis of Lansdowne, when the Bill was once more sent back to the Lords, while protesting strongly against the tribunal—a Judicial Commissioner—before which appeals for compulsory purchase and the question of compensation for owners of the land compulsorily acquired would be heard, said that, “considering the political conditions of the moment,” he would not advise the House “to prolong those controversies.”

(4) Housing and Town-Planning Act, 1909, Mutilated.

The Lords passed a long series of amendments to the Housing and Town-Planning Bill, in the spirit of the propositions laid down (1) by Lord Lansdowne, that “it was a duty they owed to themselves” to protect the slum-landlords’ interests, and (2) by the Duke of Northumberland, that “the provision of cottages is not an urgent matter, and it is much more important that owners should be safeguarded in the possession of their property.” The most vital amendments substituted the Port of London Act procedure for the Small Holdings Act procedure in the compulsory acquisition of land for housing purposes—a costly and dilatory procedure for one which, as Lord St. Aldwyn admitted, had worked cheaply and efficiently; made it necessary for an order for closing insanitary houses to lie for thirty days till a draft had been before both Houses, and proposed to kill such an order if an address was presented against it; excluded the London County Council and County Borough Councils from the provision that an order to enforce exercise of powers could be made by the Local Government Board on complaint; gave an appeal against the closing of insanitary houses to the County Courts; made a Provisional Order instead of a Local Government Board Order necessary for the sanction of Town-Planning schemes; gave compensation to landlords for speculative as well as actual loss under Town-Planning schemes; gave a means of escape to the owners of back-to-back houses; and enabled rooms closed as insanitary for sleeping to be sanctioned as eating and living rooms.

The general effect of the amendments was to make the process both in Housing and Town-Planning procedures prohibitively dilatory and expensive, to secure extravagant compensation for the landlord, and to perpetuate “slum” conditions.

The Commons at once threw out an amendment, altering the incidence of rating, as a breach of privilege. They refused to accept the most vital of the other amendments, and the Lords gave way, for fear, as Lord Salisbury said, that they might be accused of “not

really sympathising with the desire for better housing," but also in the hope that a Conservative Government would come into power when there would be "an opportunity for reconsidering the decisions arrived at."

But the Commons, for the sake of saving the Bill, had to grant two important points: an appeal on the compulsory acquisition of urban land; and the exemption of landlords from the obligation of putting into habitable repair houses let on a three years' repairing lease, though the Government insisted on the provision that, in such cases, the agreement should be terminable on the notice of either party.

(5) Scotch House Letting and Rating Bill, 1909, Wrecked.

	<i>For Bill</i>	<i>Against.</i>	<i>Majority.</i>
COMMONS...Second Reading (June 11th, 1909)	146	13	133

The object of the Scotch House Letting Bill was to abolish, in the case of the lower-rented houses, the system under which houses could not be taken for less than a year, a grave restriction on the mobility of labour and a great hardship to the working-man, and also to introduce for these "short lets" a system of compounding for rates. As the Bill left the Commons it abolished the system in the case of houses under £21 a year in burghs of less than 20,000 population, and under £26 in larger burghs. The Lords reduced the rent limit to £10 in burghs under £20,000, £15 in the larger burghs, and £20 in the case of Glasgow, the only Scotch city over 500,000. They also struck out the compounding system as far as it related to poor rates and other rates assessed by parish councils. The Commons disagreed with these amendments, but proposed, as a compromise, that in burghs over 50,000 the limit should be £21, accepting the other changes in the scale. But they insisted on compounding, though they reluctantly consented to a modified form of it. The Lords then proposed amendments which would have resulted in the disfranchisement of all "short-let" occupiers, but the Commons stood firm.

On the final stage, however, the Lords, although they understood that if they refused those amendments of the Commons which would save the "short-let" occupier from being disfranchised, disagreed with the amendments, thus killing a measure of vital importance to Scotch working-men.

(6) County Courts Bill, 1909, Wrecked.

The County Courts Bill was a measure proposing to make numerous improvements in County Court procedure, which are not only long overdue but have a great body of legal opinion behind them, and the Government considered it so little controversial that they introduced it in the House of Lords. It was read a second time without a division, and with general approval, but in Committee, on the motion of Lord Halsbury, the first clause, which

proposed to give County Courts unlimited power of jurisdiction, subject only to the right of the defendant to remove a case to the High Court, was struck out by 37 to 32. This was the vital clause of the measure, and on its omission Lord Loreburn at once stopped the Committee proceedings. These were never resumed, and the Bill was withdrawn on August 30th. To show how wanton a piece of destruction Lord Halsbury's action was, it is only necessary to note that Lord Gorell strongly approved of Clause 1, while Lord Alverstone said that of the 32 clauses of the Bill "at least 26 or 27 contained most valuable suggestions." The moral of the situation was pointed by Lord Crewe, who said that it seemed "rather poor encouragement" to the Government to try to introduce Bills in the Lords' if their Bills "were to be always strangled at birth by the intervention of noble lords opposite."

HOW MR. BALFOUR SIGNALS TO LORD LANSDOWNE.

Mr. Balfour always signals to Lord Lansdowne when he wishes a Liberal Bill to be rejected, wrecked, or mutilated. In the last four years there have been eight Government Bills which have been officially opposed on third reading in the House of Commons. Here is a list of them, with their subsequent fate "upstairs":—

		<i>Third Reading</i>		
<i>Bill.</i>		<i>Majority in Commons.</i>		<i>Fate in Lords.</i>
1906.	Education	371	to 179	Wrecked
	Plural Voting	335	to 106	Rejected
1907.	Scottish Small Landholders	192	to 65	Wrecked
	Scottish Land Values ...	174	to 35	Rejected
	Irish Evicted Tenants ...	230	to 51	Mutilated
1908.	Scottish Small Landholders	347	to 90	Rejected
	Scottish Land Values ...	347	to 90	Wrecked
	Licensing	350	to 113	Rejected
1909.	Finance	379	to 149	Rejected
	Irish Land	174	to 51	Mutilated

In every case Mr. Balfour's third-reading signal has been carefully obeyed by Lord Lansdowne. In the case of the Trade Disputes Act and Miners' Eight Hours Act, on the other hand, Mr. Balfour gave a different signal. He would not officially divide against these measures on third reading, though he had done so on second reading. Thus in every case it has been possible to tell with absolute certainty what the fate of a Bill is to be in the House of Lords by watching Mr. Balfour's signal on the third reading in the House of Commons. Well did Mr. Chamberlain once say:—

"The House of Lords has become, so far as the majority is concerned, a mere branch of the Tory Caucus, a mere instrument of the Tory Organisation, and the House of Lords does what the Tory wire-pullers of the Tory party suggest. . . . We suffer because the House of Lords is permanently in opposition to a Liberal Government."—*(Hanley, October 7th, 1884.)*

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THE GREAT BUDGET

A

*JUSTIFICATION, EXPLANATION, AND
EXAMINATION OF THE TAXES ON
LAND VALUES,*

BY

J. M. ROBERTSON, M.P.

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PART I.

THE PRINCIPLES OF JUST TAXATION.

NATIONS, in the nature of things, can get their political education in only one way, by the long and general debating of practical problems. The individual may study as he will: the community collectively acquires political opinions, right or wrong, only under the pressure of its needs and the stress of party struggle over the plans proposed to meet them. Hence the admitted difficulty of obtaining dispassionate public discussion of questions which turn upon pecuniary interests, class privileges, and common prejudices. It is all the more necessary to aim at such a statement of burning questions as shall put them in a clear light of principle; and the question of the Budget of 1909-10 specially needs such handling. The Land Union, in its recent pamphlet entitled "Reasons for Repeal of the New Land Taxes and Land Valuation," prints on the same half-page these two propositions:—"Speakers on the subject should avoid the terms Liberal and Conservative, and should use the terms Communist or Robber-Socialist, as opposed to Individualist or Honest Citizen." "The Socialist and the Land Taxer must be met on their own ground by argument, and by serious argument." It seems possible to approach the ideal set forth in the second sentence a little more "seriously" than it is handled in the first.

The main issues raised by the Budget of 1909-10 are at once theoretical and practical. As soon as we put the theoretical question: "On what principle are we to choose between different modes of taxation?" we are committed to ask the further question: "How does a given tax work when once laid on?" And both questions raise serious difficulties. Men might readily agree to Adam Smith's and Mill's cardinal principle that taxation should aim at *equality of sacrifice*, but as soon as they go on to the difficult point of the *measure* of sacrifice, they are faced by perplexities; and even if they attain agreement upon that, they have still to choose between different forms of taxation in respect of (a) the difficulty of assessing and levying them, and (b) the different effects they are likely to have upon industry, commerce, and the general well-being. And the difficulty of settling these points is, perhaps, greater than Smith and Mill recognised; for it is conceivable that one tax might be somewhat troublesome to assess and levy, but very wholesome in its social effects; while another, easily assessed and levied, might be not only unjust to persons, but harmful to production and commerce. We must strike a balance of fitness and a balance of advantage.

It is always well to begin with the moral test. If a tax can be shown to be fundamentally unjust—that is, unjust necessarily and in general, not merely by accident or exception—a scrupulous politician will not canvass it further. And we cannot better apply the test of justice than in the formula of *equality of sacrifice*.* Clearly men should be taxed with regard to their power to pay. A pure poll-tax is typically unjust, since it takes from poverty as much as from wealth; and even a poll-tax graded for classes is sure to be unfair to individuals. That which represents no "sacrifice" at all to the rich man may be a serious sacrifice for the poor or for the impoverished. And this is the condemnation of all taxes on food, in so far as the inequality of their burden is not redressed by other taxes. The poorer a family is,

* This formula is avowedly accepted by the Land Union, in its *Reasons for Repeal of the new Land Taxes and Land Valuation* (1910), p. 15. The Land Union's attempt to convict the new taxes of sinning against the principle is made by denouncing *other* taxes, not proposed by the Government, and misrepresenting the incidence of the taxes really imposed.

the more it must spend on food; and the poorest of all tend to spend most of all on bread. Thus, a tax which in the case of a rich man falls on a hardly measurable fraction of his expenditure, will fall on the larger part of that of the poor man, and the "sacrifice" enforced upon the latter is, in consequence, immensely greater.

An income-tax or a property-tax is thus plainly more just than a tax on food, or on any articles that are necessary to the mass of the population; and even in an age when the injustice of a (graded) poll-tax was from time to time inflicted, the common sense of our ancestors recognised as much. The hearth-tax, though resented as "inquisitorial," was comparatively fair, though it spared the miser. The typical taxes in this country in the "feudal period were (1) those on exports of wool, (2) those on certain imports other than food, and (3) those on property. The first and second kinds were "bad for trade," and the third was so difficult of collection, by reason of local frauds in assessment, that it was ultimately abandoned. But all three were comparatively just in principle as against taxes on food. Much has been said, latterly, of the "revolutionary" character of a tax on capital. But a tax on capital was a standing feature of old English finance for centuries, the "fifteenths" and "tenths" of which we read in our history between 1334 and 1623 being strictly so describable. Nor were they often, if ever, impeached on primary grounds of justice, though they were often very arbitrarily assessed. That they constituted a tax on capital is recognised by a high and impartial authority.* And in the fifteenth century, in pursuit of the same principle of equality of sacrifice, there was imposed in England a partly graduated income-tax, the rate being 8d. in the £ up to £400, and 2s. for incomes over that amount.

ANCIENT DEMOCRATIC PRACTICE.

These taxes were probably framed after Continental examples. In old Florence, taxes were imposed alternately on capital or incomes from the thirteenth century onwards, both being taken at the

* Article on Taxation in *Dictionary of Political Economy*.

lowest values, and rated at from $\frac{1}{2}$ to 3 per cent. according to the *estimo*.* These taxes in turn were probably suggested by the practice of ancient Athens, where extraordinary revenue for war purposes was obtained "partly from voluntary contributions, partly from a graduated income or property tax." In 1266, a fresh income-tax of 10 per cent. on an already heavily taxed city incited the decisive rising against the rule of the Ghibelline Count Guido. The historians of Florence, like most others, pay little attention to the history of taxation; but details emerge from time to time.

In 1427, Giovanni de' Medicis imposed on Florence a tax, called the *catasto*—apparently not, like earlier taxes of the same name, based on a survey of land, but on disposable or movable capital—and also one of $\frac{1}{2}$ per cent. on income over what was necessary to support life. Further, he levied a super-tax, which was paid by 1,400 citizens out of the 10,000 who came under the *catasto*. At a pinch, the *catasto* was levied several times in the year. Yet further, a regularly graduated income-tax was imposed by Cosimo de' Medicis, in 1441, and raised in 1443; but, in this case, the salutary principle of sparing the amount of income necessary to sustain life seems to have been departed from, since incomes of from one to fifty florins paid 4 per cent., the rate gradually rising thereafter to $33\frac{1}{3}$ per cent. for incomes over 1,500 florins. By reason of bad finance, further, taxes had now to be levied even ten and fifteen times a year. It is yet further noteworthy that, from 1431 to 1458, traders were required to show their books to the revenue officers for the purpose of fair assessment. The abandonment of this provision seems to have been partly due to the evasions practised by the traders, partly to the irritation and the abuses set up by it. Cosimo de' Medicis, we are told, used taxation as a means of injuring his enemies.

Thus many, if not all, of the methods of taxation recently denounced in England as "revolutionary," "socialistic," and "inquisitorial," belong to the ancient practice of self-governing

* Esquiron de Parieu, *Traité des Impôts* (2e édit., 1866), i. 417.

communities, the fiscal legislation of the Medicis being based on the earlier practice or theory of free Florence, as formulated in 1378. And it was certainly not by reason of any higher developments of fiscal morality and political science that the similar taxes imposed in feudal England were abandoned in the seventeenth century. What happened was reversion to worse methods—the “ship-money” of Charles, the various oppressive taxes laid on necessities by the Long Parliament, and the still more arbitrary devices employed by Cromwell.

MODERN EUROPEAN PRACTICE.

After the abandonment of the taxes on income and capital, there was no important step back towards fiscal justice till the modern establishment of an income-tax; and that, in turn, was only slowly adjusted to the principle of equality of sacrifice. As first levied in England by Pitt, it was manifestly unjust; and the difficulty of making it quite fair, together with the common objection to its “inquisitorial” character, actually led Mr. Gladstone, in 1873, to propose its abolition. It had been originally put on as a war-tax; and there was thus a case for dispensing with it in time of peace. But its comparative fundamental fairness, when properly adjusted, would have determined its retention, even if fiscal necessity had not come into play. And Gladstone had early taken occasion to improve its incidence by raising the limit of exemption to £100, with an abatement of £60 for those up to £200. This principle has since been repeatedly extended in application, so that a measure of *graduation* was attained without the definite acceptance of the principle of graduation.

That, however, had been successfully applied elsewhere, in a self-governing community which profited by the old example of Florence. In 1599, the States of the Netherlands, revising their finance under the stress of their great struggle with Spain, established a tax on movable capital, applicable to all fortunes above 3,000 florins; and this was a long-standing feature in the finance of the Republic. As in ancient Athens and in Florence, the difficulty of ascertaining fortunes led to special measures; and in 1683 a law was passed insisting on exact declarations under heavy

penalties. Conditions becoming temporarily easier, the tax on capital was taken off in 1669; but, under the stress of the French invasion, was reimposed in 1672. The Dutch debt was now a heavy burden; and we find a graduated income-tax imposed in 1715, 1716, and 1742. The last of these instances is a notable example of careful graduation* :—

Incomes of	Incomes of
600 florins paid 6 fl.	4,000 florins paid 75 fl.
700 „ „ 8 fl.	4,500 „ „ 90 fl.
800 „ „ 12 fl.	5,000 „ „ 120 fl.
1,000 „ „ 15 fl.	6,000 „ „ 140 fl.
1,200 „ „ 18 fl.	7,000 „ „ 160 fl.
1,500 „ „ 25 fl.	8,000 „ „ 180 fl.
2,000 „ „ 32 fl.	9,000 „ „ 200 fl.
2,500 „ „ 40 fl.	10,000 „ „ 250 fl.
3,000 „ „ 50 fl.	12,000 „ „ 300 fl.
3,500 „ „ 60 fl.	

At yet another point the Netherlands in the eighteenth century anticipated the British Budget of 1909. In the year 1747 its Government imposed a super-tax (called a “free-gift,” in the sense of the old English fiscal term “benevolence”), the rate being 1 per cent. on fortunes between 1,000 and 2,000 florins, and 2 per cent. on those above the latter sum. Those below 1,000 paid what the possessors pleased. In the assessment, necessary furniture was excluded; and exemption was given to soldiers, university professors, pastors, and their widows. Ultimately, this particular tax yielded 50 million florins—an evidence of the large amount of movable capital accumulated in Holland under a system of Free Trade. There is significance for both Free Traders and tariffists in the fact that the country which first set to Europe the example of Free Trade also gave these leads in “free-trade finance.”

In the case of Holland especially, the early resort to graduation, and to the super-tax, expressed the general conviction of the justice of these methods. The Dutch burghers originally taxed themselves, the “lower” classes having no political power; and,

* See Sir Mathew Decker's *Essay on the Causes of the Decline of the Foreign Trade* (ed. 1756), pp. 17, 18.

even under monarchic rule, they hammered out the fairest income-tax they could conceive. In England to-day, though we have introduced one principle which they did not recognise—that of discrimination between *earned* and *unearned* income—we still fall short of them in point of strictness of graduation.

PRINCIPLES OF DISCRIMINATION.

But that discrimination between earned and unearned income is another great step towards justice in taxation. Even a graduated income-tax, lacking the discrimination in question, is not the perfection of justice; and a perfectly just discrimination between earned and unearned income is not attained by treating all income arising from investments as alike “unearned.” And, further, there remain to be considered the different social and industrial effects of taxing different kinds of unearned income. It is at this point that we begin to realise the capital importance of the Budget of 1909.

Long ago, thoughtful men recognised the anomalous aspect of an income-tax which took the same percentage from the earned and the unearned income. It is more than half a century since an intelligent peer commented in the House of Lords on the essential iniquity of taxing at the same rate in the pound the income of one who, like himself, had inherited all his property, and that of the journalist who took down (and, it might be, silently corrected) his speech in the reporters’ gallery, and thereby laboriously earned his living. Gladstone was not the man to miss seeing the truth of this. What he could not see was the way to solve the problem; hence his inclination to abolish the tax. The truth is that an income-tax at its best, incomparably better as it is than a tax on food or other imports of necessities, is not capable of perfectly carrying out, alone, the ideal of equality of sacrifice.

This is easily shown. There was general assent to the provision in the Budget of 1909 that income-tax payers with children under the age of sixteen should have an abatement for each such child. All men recognise that the married man makes more of a sacrifice than does the single man when he pays income-tax on the same income, inasmuch as the payment in the first case cur-

tails the subsistence of several persons, and in the other (usually), curtails that of only one. But at once it must occur to many that there are bachelors who have actually remained single in order to be able to support their parents or sisters; and such bachelors also have a moral claim to abatement. That this has not been granted is due simply to the impossibility of meeting all cases—for the exceptional cases vary greatly in detail. The case of the married man supporting a family is the common case; and the common case is provided for.

Again, suppose the case of a doctor, who earns a given income by hard professional work, and whose landlord receives the same or a larger income by way of the rent of a number of houses which he has inherited. The sacrifice made by the doctor when he pays his income-tax is in terms of his labour: to pay so much tax he has to do so many days' work. The landlord, doing nothing to earn his income, makes, in that sense, no sacrifice whatever. The only contribution he makes to the public weal is through the taxes and rates he pays. Since he renders no other social service, it is meet that he should pay his income-tax at a higher rate. Those who protest against the raising of the question *how* an income is obtained, are merely refusing to face the problem as to how justice in taxation is to be reached. If we are not to consider the mode or source of an income, why should we consider its quantity? Either we should revert to the simple poll-tax, which raises no questions whatever, or we should put the questions that are necessary to secure equality of sacrifice as nearly as may be. When men denounce a tax as "inquisitorial," they are simply denouncing the attempt to tax justly.* The Dutch and Florentine burghers realised long ago that if they were to have reciprocal justice, the common authority must ascertain, for fiscal purposes, the income of each. The further step of ascertaining the source of the income is a strictly consistent attempt to secure still more completely equality of sacrifice.

When, however, we raise the question as to source, we soon realise that among unearned incomes there are, so to speak, *degrees*

* The same objectors usually make no scruple about the "inquisition" set up by a tax on imports.

of gratuitousness. He who has lent money to the State (or purchased a claim originally so established—which is what is done when we buy Consols) has so far done a social service; yet he is now taxed on his dividend as “unearned income.” Similarly he who takes shares in a railway, or bank, or other industrial or commercial concern, has taken part in a social undertaking; and though he may have had no active share in the good management by which the concern prospers, he has always a potentiality that way, in so far as shareholders elect their directors. The shareholder’s income is thus analogous to that of a business-man whose concern flourishes by reason of his judgment (or luck) in the choice of a good manager.

THE CASE OF UNEARNED GAIN.

But there are modes of income which are essentially and typically much more gratuitous, much more “unearned” than these; and the vital new departure in the Budget of 1909 consists in the singling out of the essentially and typically unearned incomes for special taxation. Mr. Asquith, in 1908, introduced the discrimination between earned and unearned incomes. Mr. Lloyd George in 1909 introduced the further discrimination between *sources* of unearned income, besides carrying to a higher grade the principle of income-tax graduation by imposing the old Florentine and Dutch “super-tax” on incomes above a given level. The resort to the taxation of *unearned increment in land values* is the vitally new thing. Even that, of course, is new as a fiscal method only in British finance, having been long familiar to students of fiscal theory, and actually applied in the State taxation of several British Colonies, and in the municipal taxation of several other countries.

The resort to this form of taxation, which is rapidly proceeding in Europe, is plainly due first and foremost to its superior justice. The “land values” which the new principle aims at taxing are the most typically unearned forms of wealth, apart, that is, from inheritance: and it is primarily because they are unearned that they are taxed. Income from rent, as such, is *not* specially taxed, though opponents of the Budget pretend that it is. It is left on all fours with other income. What is taxed (apart from the duty on undeveloped land) is not even land value, but precisely and

solely the unearned increment in that value from and after the valuation of 1909. Even as the justification of the death duties and legacy duties is that they are levied on wealth coming to heirs and legatees as a windfall, so the justification of the tax on the "unearned increment in land value" is that that increment is in no degree the production of the receiver.

It has been argued, notably by Lord Rosebery, that all railway and other stocks, equally with land values, come under the current definition of the latter, in respect that any rise in their values is for the shareholder an unearned increment. But this is a fallacy as regards all "industrial" stocks whatever. The successful continuance of a railway or bank requires good management; and though there may be an unfixable *element* of unearned increment in revenue from these, as from other forms of investment, it is one common to the whole community, depending upon no monopoly; and it coalesces with a preponderating element of good management, in which, as aforesaid, all the shareholders are concerned. It is true that a rise in the values of Government stocks is strictly unearned by the holders thereof; and if such cases of unearned increment *could* profitably be taxed, they fitly might be. But a very little reflection will show that the immense number of Stock Exchange transactions in Government stocks all over the world cannot be registered for purposes of taxation, save at a cost far greater than the amount of possible revenue.

All other forms of alleged unearned increment, saving that accruing to land, are equally ruled out by the plainest practical considerations. (Strictly speaking, indeed, the addition to the profits of an individual effected by giving him a State-conferred monopoly, such as a public-house licence, is a form of unearned increment. It is not, however, usually so classified, and in any case this source of income *is* specially taxed by the Budget of 1909.) A few typical cases will serve to make this clear. Unearned increment does undoubtedly occur in the values of (*a*) pictures by Old Masters, (*b*) first editions, (*c*) old china, &c. A Raphael or a Gainsborough, an original first folio of Shakespeare's plays, a set of rare old china, will fetch far more in the market than was paid for it by the first purchaser; and that increased value is *morally*

a fit subject for special taxation, inasmuch as it is produced, so to speak, by society at large, and not by the possessor. But what would happen if a Chancellor of the Exchequer were to announce his intention of taxing it? Within a week, probably, many of the articles in question would be on their way to the United States; and if, in the case of the china, the risks of transit checked exportation, how would the Inland Revenue Office ascertain possession? The required inquisition would be practically impossible: every owner would try to defeat the tax by concealment, which would obviously be easy.

The same law operates in the case of the other instances sometimes cited by opponents of the Budget. Unearned increment does, indeed, take place at times in the values of ordinary goods, as when a producer has contrived by business methods to acquire a "virtual monopoly" in the output of one article, or when a speculator, or set of speculators, may contrive to "corner" a form of produce. In such cases the increment in value is strictly unearned, even though plotted for. But how is such increment to be taxed? The monopolist, if caught once, will not be caught again: like the speculator, he will unload his stock at the first menace of taxation. And a gain that occurs only by a rare chance, at extremely irregular and incalculable intervals, in transactions not publicly traceable, is not a practical subject of taxation.

To take one more instance, an unearned increment takes place in the value of stocks of produce when it is announced that a new import or excise duty is to be placed upon them. We have seen this happen in the case of tobacco and whisky in connection with the very Budget under discussion. But it is practically *impossible* for the Chancellor of the Exchequer to tax such unearned increments. For one exaction of tax he would have to make an immensely costly inquisition; and there would be neither social nor industrial advantage to set against the fiscal loss.

There is, in short, *no practicable taxation of unearned increment* (as distinct from the gain created by State-conferred monopoly) *save in the one case of land values, which happens to be the case in which unearned increment occurs most commonly, to by far the largest total amount, and with the maximum possibility of detec-*

tion. Land is irremovable; its value at any given moment is easily ascertainable; its sale is a matter of recorded procedure by deeds which must be stamped and preserved to establish title. All the alleged difficulties in regard to its equitable valuation are found to be easily surmounted in practice, where taxation of unearned increment has been put in force; and the fact that the tax is a first-class source of public revenue is established alike by the experience of the communities which have imposed it, and by the violent outcry raised against its imposition by property-owners in this country.

The merit of a tax on unearned increment in land values as a source of revenue has, in fact, been repeatedly affirmed by many politicians who now collaborate with those who allege that it is not worth imposing for revenue purposes. It is notorious that, in 1904, this very tax was officially advocated as an item in the policy of the Unionist Party. In 1905 a resolution calling for it was actually carried without dissent in a Unionist House of Commons. Then there was no question as to either its fruitfulness or its justice. The sole excuse offered for their change of front by the politicians concerned, is that they urged the tax as a means of *local* and not as a means of *national* revenue. Now, that there is a case for the participation of local authorities in the proceeds of the tax is expressly conceded by the framer of the Budget, which duly allocates to them their share. But the former advocates of the local imposition of the tax now profess to find it *unjust* as a national tax. Political absurdity could no further go. There may be dispute as to the share which the local authority should receive; but if the tax be just as a means of raising local revenue it cannot be unjust as a means of raising national revenue.

Already the national revenue bears all manner of "local" burdens. The increment in given land values, further, is a result not solely of the existence and activity of the inhabitants of the parish, town, or locality in which the land is situated: it is a result of the total industrial and social activity of the nation, and is even in many cases specially traceable to particular national expenditure or policy, as in the case of dockyard towns. It is,

indeed, fitly to be taxed for local as well as national purposes; but it is unquestionably a product of the nation's total functioning.

Thus the taxation of that form of unearned increment is in every way justified. It can never be the business of a Government to spend a large sum of money on the mere chance of getting a small sum of revenue, when there is no other national advantage to be reckoned on. But in the case of the forms of unearned increment accruing to the possession of land, there is, on the one hand, the fullest moral justification for the tax, and, on the other hand, the completest practical justification in respect of the financial, social, and industrial results arising from its imposition. The proof on one side, as we shall see, is as easy and as convincing as on the other.

THE DUTY OF JUST TAXATION.

All this being so, the tax obviously *ought* to be imposed. It is the bounden duty of every Government to impose the most just forms of taxation in preference to others, where they are both practicable and profitable. To refuse to do so is to inflict injustice wilfully. In Britain at this moment, as the result of an unscientific tradition and much wasteful expenditure in the past, we still suffer from unjust and impolitic forms of taxation. Even the principle that the necessary means of subsistence of every family should go untaxed—a principle recognised, as we have seen, in republican Florence nearly five hundred years ago, and restated with general acceptance by Bentham in England a century ago—is not yet realised in practice. So long as there are taxes, even for revenue purposes, upon articles practically necessary to life, such as sugar, poor consumers at and under the poverty line are taxed on their bare subsistence, which means that the State is actually curtailing the life and strength of a number of its members. This is national folly as well as social injustice. Such taxes, it is to be hoped, will not be long retained; and the plain way to get rid of them is to substitute fruitful taxes which lie under no such condemnation. Even the far more equitable income-tax falls short alike of perfect justice and entire expediency in comparison with the tax on the unearned increment of land

values. The head of a family who, on an income of £200, pays income-tax on £40, makes a greater *sacrifice* than does one who pays super-tax on an income of £5,000. In the first case, the income-tax, when at all high, may mean that the family has to forego a wholesome holiday, which would be highly conducive to health and happiness. If the necessary revenue of the State can be raised without such curtailment of life-opportunities to any of its members, it is the plainest duty of the Government so to arrange its taxation.

This can be denied only by those who have no reasoned and tenable doctrine of taxation to put forward. And the taxation of the unearned increment of land-values can be resisted only by those who either put their own pecuniary interest above public justice, or do not understand what unearned increment and the taxation of it really mean. As regards the fallacy of the opposition to the Budget on alleged grounds of justice, it may suffice here to note the astonishing positions taken up by some of the opponents of the Budget during the debates upon it in the House of Commons. It was actually contended, again and again, with regard to both the death duties and the taxes on land values, that it is the duty of the State so to adjust its taxes as to put no difficulty in the way of the transmission of large fortunes unimpaired in amount from generation to generation. The very men who urge this amazing plea, be it observed, not only approve of an income-tax which *pro tanto* tends to prevent people with small incomes from leaving *anything* to their children, but mostly advocate forms of taxation which would actually bring down to or below the poverty line, by reason of increased cost of living, persons who at present are above that line.

THE OPPOSING POLICY.

One Parliamentary opponent of the Budget waxed eloquent over the piteous case of the widow whose husband left her only a freehold and house, which had originally cost him £1,000, and which, by reason of unearned increment in the value of the land, were at his death worth £2,000. In that case, the revenue will come

in for a fifth of £900 of the increment, and this the critic declared to be an outrage. Such critics of the Budget appear to be concerned about the widow only when she possesses property. The speaker in question is a zealous advocate on taxes on food. There are, unfortunately, too many widows whose husbands leave them neither house nor land, but only a handful of fatherless children, whose bread the widow must earn. And the Protectionist critic of the Budget was not only ready but eager, in these cases, to tax every mouthful of the children's bread, to say nothing of resisting a policy which might reduce their rent.

To such anti-social and nationally injurious principles of taxation the Budget of 1909 opposes the contrary principles. It proceeds on the doctrine that, in imposing taxation, the State is under no duty whatever to facilitate the transmission of large fortunes intact to heirs; that its duty is on the contrary to facilitate life for all its members, by all fiscal methods which set up no risk to impairment of the productive activity of individuals; and that where by choice of taxes it can increase productivity, its duty is to make that choice.

The above-noted theory that the State ought to facilitate the transmission of maximum fortunes to idle inheritors is on a par with the claim of those interested in the drink trade, that when the State has conferred upon a body of traders, by a system of licences, a monopoly of enormous value (which even the heads of the trade have estimated at £150,000,000), it is an unjust act to take for the nation any share of that value by raising the licence charge. The answer is that the State ought on the plainest grounds of common-sense to charge for the monopoly in question the highest sum that it can get, consistently with the good management of the trade. Under this last proviso it might justifiably put up to auction all the licences it is disposed to grant. The policy of the present Government falls far short of such an exaction of market value. It leaves a vast amount of State-conferred monopoly value to the licence-holder, as it leaves four-fifths of the unearned increment in land value to the land-holders. It does but call upon them to contribute specially towards the nation's charges a fraction of the special gains conferred upon them by the community.

SOPHISTICAL OBJECTIONS.

It is scarcely worth while to deal with the idly sophistical plea that inasmuch that all wealth is in a sense socially created, no form of wealth or income should be specially taxed on the score of being specially so created. In the act of collective wealth-creation the members of a society take part in very different degrees; and in the act of acquisition they vary still more widely. The citizen who pursues a calling, who renders any form of social service, is a giver as well as a receiver. If the purchasing power of his income be raised by good social policy, he is a contributor to the similar advantage of others, inasmuch as he adds, in the very act of earning his income, to the totality of things and services which—questions of wise living apart—constitute social well-being. But the receiver of the unearned increment in land values is as such no contributor to that totality. Rendering absolutely no social service (*qua* that part of his income), he receives a wholly unearned gain. Nay, more, he frequently stands in the way of increase in the production of things and services, actually playing dog-in-the-manger as against those eager to increase the totality, as will abundantly appear when we set forth the nature of his special gains, and the economic as distinguished from the moral or political reasons for taxing them.

Sentiment plays strange freaks in the way of inspiring opposition to just taxation. Sentimentalism is not, as so many Conservatives suppose, the characteristic only of lovers of peace and humanity. There can be bad sentiment, as well as good; and it is bad sentiment that moves men to claim a right to "absolute" property in land, to the extent of being able to live luxuriously on the fruits of the general toil and enterprise of the community, they themselves contributing absolutely nothing, and paying tax on their unearned income at no higher rate than do the toilers of the middle-class. The same men denounce as "sentimentalism" the condemnation of *their* proposal to tax all the necessities of life, and thus to trench on the bread of utter poverty. Between such sentimentalisms let reason judge.

It is sentimentalism of a different kind that inspires Lord Rosebery's condemnation of the death duties, which were established

by his own Government, he making no overt opposition. In his strange speech on the Budget at Glasgow, he first laid down the absurd principle that such duties, because of the uncertainty of their yield, should be reserved for war time—as if the most uncertain taxes were what the nation needed at a time of national danger. Then, almost in the same breath, he contended that in time of war the death duties were especially odious, inasmuch as the State was then in the position of preying like a vulture on the estates of men who had actually died in defending it. The noble lord thus passed the strongest condemnation upon his own proposal of a moment before, showing no consciousness of self-contradiction; and the audience which cheered, and the Press which eulogised him next day, appeared to be equally blind to his logical suicide.

Such moral incoherence tells of a sentimentalism of the worst kind—the kind which turns common-sense out of doors. For those who can bring to bear on the Budget the ordinary processes of reason, its vindication is easy enough.

PART II.

THE MODES AND MEANING OF UNEARNED INCREMENT.

LAND values, like all others, vary in respect of the quality and position of the thing valued, and of the economic circumstances. Of two pieces of land of the same size and agricultural quality, one may be much more valuable than the other in respect of its nearness to a market, a railway, or a canal. This value is plainly conferred by the existence and activities of the surrounding community, including the promoters of the means of communication. On the other hand, either a tenant or a proprietor may add to the value of agricultural land by his own expenditure of labour and capital; and here, clearly, the resulting profit is "earned"—save in the cases in which a landlord has been able to confiscate his tenant's improvements without compensation, a thing very common in the past, but now, happily, made difficult by new laws. In the case of gain arising from the effort and outlay of the receiver, no one proposes to impose special taxation: it is ordinary earned income.

Where, on the other hand, agricultural land, as such, rises in value solely owing to the activity and expansion of the community at large, the increment is obviously unearned. Yet, in consideration of the long depression in British agriculture (resulting mainly from the competition of the new wheat-lands of the United States,

which were originally granted to the cultivators without price or rent, on the sole condition that they should be cultivated), the Budget of 1909 provides full safeguards in favour of *the values of agricultural land as such*. And woodland, orchard, market gardens, and nursery land enjoy the same safeguards.

Thus there is no truth whatever in the argument frequently put by opponents of the Budget, that it tends to raise the price of food products by taxing land, "the means of production." No tax in the Budget can raise the cost of agricultural production. Even a tax on the unearned increment in purely agricultural land *would not* do so; but no such tax is imposed.

CAUSES OF UNEARNED INCREMENT.

Where the increment tax comes to bear is on land which has risen in value by the demand or need for it for building, industrial, and public purposes. In the case of land hitherto used for cultivation or pasture, such a rise is of a piece with that which constantly tends to occur in the area-value of land within all growing towns. This increment is, of course, not invariable. Land values in particular parts of cities fluctuate owing to alterations in the placing of particular industries or commercial activities. For instance, in a part of the City of London, land had at one time a specially high value because of the concentration there of a particular warehouse trade. For business reasons, the traders concerned began to move their warehouses to the West-Central district; and, as no other trade for the time being was ready to come into the vacated premises, rents and values fell, though in neighbouring streets, otherwise occupied, they might even go on rising. In time, of course, the values of the depleted area will recover; meantime, a rise in rents and values goes on in the district to which the warehouse trade in question has moved.

In view of such vicissitudes, it is sometimes argued that in taxing unearned increment, we should set against an owner's gains upon any one piece of land, the losses he may incur in respect of another piece. But to argue thus is, in effect, to ask that there should be no taxation of unearned increment as such. A man's losses are allowed for under the income-tax: he pays only on the

income he receives. But the very purpose of the increment duty is to earmark a source, a given transaction or "occasion." He is specially taxed on the special gain because the gain is fundamentally not of his making. If he makes a bad speculation in other land, that is his own affair. To set his loss in one transaction against his gain on another would be to offer a premium on rash speculation—to say nothing of fraud. The honest and careful man, upon that principle, would be taxed on all his unearned gains beyond his 10 per cent. profit: the unscrupulous speculator would be encouraged to hazard his gains, or to carry out spurious transactions to keep them untaxed.

Nothing can be plainer, on the other hand, than the gratuitousness of most of the private gain from increment in land values. The facts are everywhere notorious; and hundreds of specific instances are collected in the handbook published in 1909 by the Budget League. They may be classed under five heads:—

1. Rise in value of privately owned land resulting instantly and solely from *public improvements*. A town creates a new public park or tramway line or bridge, and instantly the value of the land round the park, or made easily accessible by the tramway or the bridge, rises by a large amount. If it be not just to tax such increment, no just tax was ever laid.

2. Rise in land value resulting from the establishment or extension of one or more industries in a given place. In scores of cases enterprising manufacturers thus raise the value of land owned by one or a few proprietors, who, without scruple, either exact the utmost price they can extort or absolutely refuse accommodation, waiting for a further rise in value—and not seldom checking the growth of a town by stifling a promising industry. At Glossop, for instance, the Messrs. Partington run a great paper-making industry, which gives steady work to many hundreds of people. Having utilised to the utmost every foot of land they can get, they are refused more by Lord Howard of Glossop (who holds all that is available), save on terms which are quite prohibitive of profit. Asking for a lease of land for the purposes of a private railway to their works, they are told they can have it only on condition of surrendering the entire undertaking to the landlord after a term of years.

In other cases, landowners bring town extensions to a standstill by demanding ground-rents which builders cannot pay. This deliberate creation of unemployment is justified by a party which professes in its fiscal policy to aim above all things at curing that evil.

In yet other cases, where growing towns need sites for new public buildings, landowners charge exorbitant prices, and then have the value of the rest of their land greatly raised by the erection of those very buildings. All the while, they have hitherto been paying no rates on the land which they withhold from use by the land-starved community. Roughly speaking, every municipality in the country demands the power to rate land values for local purposes. Yet thousands of men who support this claim, knowing its absolute justice, for party reasons give their votes to the opponents of the tax.

3. Apart from all special extortion by monopolising landowners, land area in all expanding towns exhibits, as aforesaid, a normal rise in value, due simply to increasing social and industrial activities. Without moving a finger, the owners of such land-area pocket the increment, thus living on the "general deed of man," and contributing nothing to it. They are thus the great and typical receivers of unearned incomes. The ordinary citizen who saves money and invests it may or may not get more than ordinary interest on his money. In the great majority of cases he gets only normal interest on his own savings; yet already he pays extra income-tax on that interest as "unearned income." The increment pocketed by the landowner is something over and above any such return on his investment or inheritance; it is a super-gain derived from the activity of the entire community, in which he, *qua* mere landowner, takes no part.

GAINS ON LEASES.

4. There is further to be noted the form of unearned gain accruing to the landlord on the termination of building leases. Under the standing law of the land, he has habitually made enormous gains by granting to enterprising men leases of land on which to build, upon the condition that at the end of the lease the ownership of the houses they built reverts to him. In this fashion whole quarters

of London have become the private property of great nobles who did absolutely nothing to promote the growth and life of the city beyond letting their inherited land be built upon. While the leases lasted they received a large income in ground rents; when the leases fall-in they acquire vast fortunes in house property. Again we are dealing with absolutely unearned wealth.

So plain is the injustice that for a number of years there subsisted a strong movement for "Leasehold Enfranchisement," the object being to give lessees the power to insist on purchasing on fair terms the land they had been utilising. That movement has subsided only because of the perception that to enfranchise the leaseholder would be to transfer to him an increment created mainly by the community as a whole. The true remedy is to secure for the public treasury a part of the gain which the public has created.

GAINS FROM MINERALS.

5. There remains the great source of unearned wealth represented by the minerals, &c., *under* the land-area, which by British law are primarily the property of the owner of the surface. For the right to extract minerals, he levies a rent under the name of *royalty*—a given charge per ton for all minerals brought to the surface. Usually, too, when the existence of the minerals has yet to be ascertained by experiment, he makes a fixed charge (dead rent) for the time required to sink a shaft. The prospecting capitalist risks his capital; the landowner risks nothing, but levies his toll all the same. When the mine is going, and the royalties are being paid, he or a neighbouring landowner will further exact "way-leaves," that is, rental payment for a strip of land for the transport of the mineral to the nearest railway, river, or canal. The mine-lessee, too, usually pays all the rates leviable for purposes of local government; the landlord pockets his royalty and wayleave charge, whatever may be the profit or loss of the lessee, and pays nothing. If he is not to be specially taxed, there is no final justice in any taxation.

When the Budget of 1909 was first introduced, it included provisions for the taxing of "ungotten minerals," that is, minerals known to be in the land and *bearing a market value*. At present,

landowners may and do withhold minerals from exploitation at their pleasure, just as they have been wont to withhold land-area from use at their pleasure, either waiting for an increased demand and higher gains, or choosing that their personal preference shall override all public needs and public interest. Ultimately, however, the proposal to tax ungotten minerals was withdrawn; though it is left to the landowner, if he will, to put a value on his ungotten minerals before they are worked. If he does not, there will be the more to pay as increment duty when the time of working comes. The practical justification of the withdrawal lies in the fact that owners who absolutely refuse to let their minerals be worked are in a minority; and that, as the output of our coal mines even now is at times in excess of the demand, there is no present need to force the opening of new mines. But if ever there should be need to revive the proposal, there will probably be small question then as to the justice and expediency of the tax.

THE ETHICS OF LANDHOLDING.

In what is commonly called the feudal period, from which all our land titles date, all land was held under the Crown *for the public good*—no man being admitted to have a right to it independently of all public service. He must do something to justify his ownership; and his main duty was to provide his quota of the national defence. The principle that ownership must be justified by public utility still underlies our law, though it is no longer overt. The old responsibilities have been transmuted into the duty of paying taxes; but the State retains morally as well as legally the right to impose taxes *with a view to the best utilisation of the land*.

It is plain that all ancient systems of land tenure were set up, not upon a superstition that the individual had an absolute right to do what he liked with it as being his "property," but in the belief that the arrangements made were the best for the community at large. Land is, in fact, so uniquely essential to communal life that the regulation of its use is called for in a degree not to be predicated of any other social relation. To deny this is to fall into futile sophistry. But it is denied. When it is urged by reformers that land is (1) essential to the existence of the com-

munity, (2) not created by its owner, and (3) "limited in quantity," one or another critic denies each proposition. One declares that land is no more essential to the existence of the community than are trousers to the individual, or a factory or workshop to the workman who there earns his living. It would be difficult to be further wrong. The critic may find, in Africa and elsewhere, multitudes of his fellow-creatures without the garment in question, or any other, but he would find them on the land. The workman may leave the given workshop or factory, and never enter another: he may take to begging; he may even leave the land for ever, spending the whole of the rest of his life at sea. But the community cannot. Who says community says land; and the fiscal and other control of the land is an essential preliminary to the effectual control by the community of its own destinies.

Another critic, Lord Rosebery to wit, argues that the mark of "limitation in quantity" belongs equally to other forms of property, such as consols and railways. In this case there seems to have been a complete failure to understand the proposition. In a sense, the entire solar system is "limited in quantity"; but for practical purposes the phrase means "incapable of being increased"; and in this sense neither railways nor consols are limited in quantity, while land is. Lord Rosebery actually gave the Liberal Government credit for *not* increasing the quantity of consols as they so easily might have done; and railways and railway stocks are added to every year. The moral and social case for the special control or supervision of the use of land is not to be rebutted by such paralogisms as these.

In no other legal relation between citizens are the common good and the welfare of the individual ignored as they have been in connection with the land laws. When the captain of a vessel in danger of shipwreck consents to pay an exorbitant sum for salvage, having no choice, the law courts will intervene to reduce the extortionate charge. Upon what principle? Upon that of public utility: in the interest of life and property in general, individuals are not to be upheld in extortionate charges which confiscate property and, by their prohibitiveness, endanger life. In such a case the particular contract is upset by law.

It is not proposed that the oppressive action of landowners should be restrained in this fashion. The intervention of the law courts in the multitude of individual cases would be impracticable. But it is the plain duty of the legislature so to adjust its fiscal system as to put some restraint in the public interest on the exploitation of the entire community by the land monopolist, especially when such restraint constitutes the most just form of tax that is conceivable. It is only because the laws in the past have been substantially landlord-made that this has not been done long ago. Until the other day, the landlord retained monstrous privileges in the matter of his special power of distraint. He was at liberty to seize a lodger's goods as well as those of his tenant for arrears of rent. Even now he is entitled to seize the goods of a guest, and furniture for which the tenant has not paid. And he is still allowed, with a few reservations, to determine at his pleasure the use of the whole land of the United Kingdom, checking industry and exiling population as he will.

It is by reason of the long political predominance of the land-owning interest, and of its habitual combination with other politically strong interests, such as the Church and the liquor trade, that the land laws and the taxation of Great Britain have so long remained one-sided, putting the interest of the landowner above the welfare of the nation. In no country in the modern world has this taken place or continued to the same extent. In other countries, the evils growing out of the survivals of the old feudal land-system have been remedied by truly "revolutionary" methods: in France by the great cataclysm of the actual Revolution: In Prussia, after Jena, by land legislation of a far more sweeping kind than is involved in the British Budget of 1909. And yet, throughout the German Empire the particular evil represented by the private ownership of minerals did not exist. The right to all minerals had been peacefully and beneficently secured to the State in the Middle Ages by the fiat of the Emperor. As there was no great interest involved, the decree passed without serious resistance.

We have waited too late to think of such a solution; but, pitted in commerce against a Germany which has long derived a large

State revenue from the overlordship of minerals, and was otherwise far in advance of us in the matter of public control of land-area, we had sore need of a radical reform. Some Radical reformers, indeed, deny that the Budget of 1909 attains to that description. True it is that it is conspicuously moderate in the application of fiscal principles which would justify much stronger measures. But this belongs to British political methods, which were never less revolutionary than now. The fact remains that all the moderation of the Budget of 1909, all its abstentions from a rigorous application of just principles, have not availed to avert the most furious denunciation of it in principle, and the grossest misrepresentation of it in detail.

Working-men owners of cottages and plots of land have been told by prominent Conservatives that the Budget inflicts upon them a virtual income-tax of large amount by reason of their ownership. Farmers have been told that it will heavily burden agricultural land. Promoters of land development have been told that it is designed to confiscate their profits. The untruth of all of these charges can easily be made clear to anyone who will take the trouble to study the following short statement of the nature and modes of the increment taxes.

PART III.

THE INCIDENCE OF THE NEW LAND TAXES.

THE new "land" taxes in the Budget of 1909 are as follows:—

1. *The Increment Duty*, levied (a) on the unearned increment in site (or area) values; and (b) on the increment in land value arising from minerals in or beneath the soil. Rate of tax, 20 per cent.

2. *The Reversion Duty*, levied on the value of the benefit accruing to lessors on the termination of leases (other than mining leases) of over twenty-one years. Rate of tax, 10 per cent.

3. *The Undeveloped Land Duty*, levied on land in market demand in respect of its area-values, but not utilised for buildings or for any business other than agriculture or market- or nursery-gardening. Rate of tax, $\frac{1}{2}$ d. in the £ on site value.

4. *The Mineral Rights Duty*, levied on all mining royalties, or rent for rights to work minerals, and also on all mineral wayleaves. Where the owner works his minerals, the market value of the royalties and wayleaves to be taxed. Rate of tax, 5 per cent.

In regard to each and all of these taxes, the utmost care is taken to avoid injustice in the levying or incidence of the tax.

§ 1. THE INCREMENT DUTY.

(a) *Site or Area Value.*

This falls solely upon such increment in land value as accrues irrespectively of any expenditure or effort on the part of the owner

or anyone interested in the land. If money has been privately spent in laying it out, in draining it, in making roads or paths, or in advertising it; or if anyone interested in the land has raised its value by gift of other land for roads, streets, paths, gardens, or public spaces, the value derived from all such expenditure or gift of land is deducted from the value for taxing purposes.

In short, as regards the surface, it is solely site value that is to be taxed, and the Act contains very precise provisions, designed to eliminate all the elements in the value of land save site value. The Commissioners of Inland Revenue are at once to value all the land of the Kingdom, noting simultaneously the total value and the site value. The total value is the market value of the fee simple for a "willing seller," apart from mortgages or private encumbrances, but subject to rates, taxes, and fixed charges, to public rights of way, rights of use, and rights of common, to any "easements" affecting the land, and to any covenant or agreement in restriction of its use entered into or made before April 30th, 1909, or even on or after that date, if in the opinion of the Commissioners such restriction was desirable in the public or general local interest.

The "site value" of the land is the value left after (*a*) deducting all the forms of added value above referred to, as excluded from the definition of unearned increment; and (*b*) assuming the land to be denuded of all buildings or other structures on, in, or under the surface, and also of all growing timber, fruit trees, and other growing things.

The bare site-value or area-value thus left is liable to taxation on increment (*a*) when the land or any interest therein is sold, (*b*) when a lease for more than fourteen years is granted, (*c*) when the land or any interest therein passes at death, and (*d*) in the case of ownership or interest in the land being vested in a company or other body corporate or incorporate, at fixed intervals, namely, in the year 1914, and in every fifteenth year thereafter.

If on any of these occasions the site value of the land is not found to have increased by 10 per cent. over the original site value, or the site value on the last preceding occasion, no tax will be levied; and where it has so increased this 10 per cent. of increment on each occasion will go tax-free. In virtue of this limitation, those persons

r companies who buy land to sell again in the way of business, are allowed a profit of 10 per cent. free of tax; under the proviso that such allowances shall not exceed 25 per cent. in any period of five years.

In the case of a fall in the site value after the first valuation under the Act, subsequent increment is not taxable, where the same interest passes, till after the value has returned to the former figure. And even in cases where it can be shown that the site value at the time of any transaction in the land within twenty years before 1909 exceeded the value as fixed by the first valuation under the Act, such *previous* site value is to be taken as the starting point of increment for taxing.

Could any taxation be more scrupulously and anxiously just? Accommodation is granted to the special circumstances in the exaction of payment. In the case of a lease or transfer where the consideration is in the form of periodical payment, the duty may be paid by instalments; and if the lease falls through before all such instalments have fallen due, the instalments not due are remitted.

Finally, sweeping exemptions are made in the case of the small man, in addition to the exemption of agricultural land, woodland, market-gardens, and nursery grounds, also railway ground.

1. Small occupying house-owners, and occupiers under leases originally granted for fifty years or more, are exempted when the annual value of the house does not exceed (a) in London, £40; (b) in a borough or urban district with 50,000 of population or more, £26; and (c) elsewhere, £16. Their land must be *valued* like that of other people, for it is essential to ascertain and record land-values all round; but they will not be taxed.

2. Small holders of land are exempted who occupy and cultivate land (or hold it on long lease as aforesaid), where the total land owned or leased by the same person does not exceed fifty acres and the average total value of the land is not above £75 per acre; provided only that the exemption shall not apply to land occupied with a dwelling-house the annual value of which is over £30.

Thus the small owner is everywhere spared, on the principle on which incomes under £160 are exempted from income-tax. Not only is "no cupboard made barer" by the Budget of 1909, the small

owner up to a certain point is not even taxed on his share in the super-gain arising as unearned increment in the value of his land. Had we had, on the contrary, a Tariff Budget, every small owner would have felt the pinch of the tax upon imports, which would infallibly have raised the price of bread, meat, and dairy produce, and in all likelihood the price of clothing, furniture, tools, utensils, crockery. Further, by raising all agricultural rents, tariffs would raise town rents, thus impoverishing the vast majority, who are not owners but tenants. The holders of land would indeed profit, inasmuch as land values would rise all round; but the small owner, inasmuch as a large part of his total expenditure is on necessities, would lose more on his increased cost of living than he could gain in the increment of his land values. To realise that, he would have to sell or lease, and the interest on the increment in the value of his land, or the rise in the rent he could exact, would yield him considerably less than his extra expenditure.

The attentive reader has by this time realised the falsity of the charges made against the increment tax by its interested opponents. We are told by them:—

(1) That, “subject to a small and quite inadequate allowance, the increment tax takes 20 per cent. of the gross profit, which in many cases means the whole of the net profit.” Nothing could be more untrue. When a builder, having erected a house upon a piece of land, disposes of his interest, an occasion may arise for the collection of increment-value duty from him. But, although the occasion may arise, no duty can be payable unless an increment value is revealed. Why, on such an occasion, should an increment value be revealed? Increment value is not the difference between purchase price and sale price, nor is it anything of the same nature as builders’ profit: it is the excess over the original site value of land of the site value on the occasion for collection of the duty. The fact that the builder has erected a house does not affect the site value, for, in arriving at the site value, the land is deemed to be divested of that house. The added value given to the land through works executed or capital expenditure incurred by the builder to improve the land as building land, or by appropriation or gift of other land by the builder for roads, open spaces, &c., is all to be deducted in arriving at site

value. In short, the construction of the tax is such that the elements that go to make the builder's legitimate trade profit are excluded from its purview; and if a builder is called upon to pay any increment-value duty, it will only be because from such exterior causes as the action of the community the value of the land has appreciated apart from his own effort.

Builders, in selling their houses, it is said, not infrequently accept a lump sum down, less than the cost of the house, and secure their trade profit in the form of an "improved ground-rent." It seems to be a common misapprehension that in creating or dealing with this "improved ground-rent," the builder will be mulcted in increment-value duty. The fear is groundless. Whatever methods builders adopt in disposing of their property, they are safeguarded from increment-value duty unless an increment value is revealed.

Furthermore, supposing that a windfall comes to the builder's hands, and he is enabled to sell at a price beyond his legitimate trade profit, though he, like any other person, may be called upon to pay increment-value duty, the 10 per cent. allowance already referred to comes into play, and this will serve to cover costs of conveyance and other similar expenses which are incidental to conveyances in land.

(2) Another assertion is "That the increment tax is upon the buildings; if not, why should a leaseholder pay and the freeholder be let off?"

It is perfectly clear that the increment-value duty is not a charge on buildings, which are eliminated in arriving at increment value. And it is not the case that the freeholder is let off. The occasions for the collection of the duty are the same for the leaseholder and the freeholder—namely, those referred to on page 30.

Where land is let by a freeholder at a fixed rent, any increased site value of the land due to such causes as the action of the community will be realised, so long as the lease lasts, by the leaseholder, for the freeholder must be content to receive the fixed rent for which he has stipulated in his lease. If the leaseholder has a very long lease, he gets nearly all the benefit of the windfall, and the freeholder has only the prospect of realising his share in the distant future when the lease falls in. Thus, if, as is common in some parts of this country, the lessee has a lease for 999 years, he is almost in

the position of a freeholder; he has virtually the whole interest in the property, and virtually the whole power of pocketing any wind-fall which accrues.

Where land is subject to a lease, it is thus proper that a leaseholder, when an occasion arises to collect duty from him, should pay such part of the full duty as is proportionate to his interest in the property, and that the freeholder, when a similar occasion arises, should pay a sum similarly proportioned. And the Act provides that this should be done.

It will thus be obvious that if an occasion arises for a leaseholder to pay increment value duty at a time when his lease has only a short period to run, the proportionate part of the duty payable by him will be very small, while in the same circumstances the freeholder's proportion will be very large.

It must also be remembered that in every case, whether the leaseholder or the freeholder pays, the payment is solely in respect of increment value into which the value of any buildings on the land does not enter as an element at all.

(b) Mineral Value.

It remains to note the incidence of the increment tax on that increment in land value which arises solely from the ascertainment of the existence of minerals in or below the soil.

In respect of the power to levy royalties on minerals, the total value of land obviously rises as soon as they are known or believed to be present; and this increment, being absolutely unearned, falls under the tax. Its amount is valued on the same principles as are applied to the estimate of area-value. From the market value of the fee simple of the minerals to a willing seller is deducted the value of any works or other capital expenditure incurred to get at them. Where minerals are neither being worked nor leased, it lies with the owner to put a value upon them in 1910 or not. If he puts no value, then all additional value which may accrue in respect of them will be liable to the increment duty. If he puts a value which is accepted, that value will be the starting-point from which the future increment will be reckoned. As in the tax on area-values, there are liberal exemptions.

1. In the case of minerals which in 1909 were either under a mining lease or being worked by the proprietor, no duty will be charged while that state of things continues; and

2. The exemption will be allowed even in the case of a temporary stoppage up to two years.

Only after the lease is out, or the proprietor has ceased to work as before, will the minerals in these cases be valued; and increment thereafter will be reckoned only from the value as ascertained when the exemption ceases to apply.

When, however, increment duty on the values of minerals under lease or being worked does become chargeable, it will be levied annually (except in the case of common clay, common brick clay, common brick earth, sand, chalk, limestone, and gravel), like the duty on mineral rights; but any proprietor or lessor who pays the former will be entitled on that ground to be relieved of the latter, up to the amount paid as increment duty.

Thus the maximum encouragement is given to the working of minerals; and the "ungotten minerals" come under taxation in respect of their full capital value in the market when leasing or working begins.

It might have been thought that the vast incomes and fortunes already idly gathered from this source would content the class which has enjoyed them; and, indeed, inasmuch as that class is numerically small, and the hope of gain from trafficking in mineral rights is proportionally restricted, there has been much less outcry against the increment tax in this case than in the case of the tax on area values. The gratuitousness of the owner's gain is so obvious, and the fact that in other countries the right to all minerals vests in the State is so significant, that most opponents of the Budget are either disinclined or ashamed to protest against a five per cent. share in such utterly unearned wealth going to the nation, whose mineral wealth is being withdrawn in the process which enriches the landowner.

The tax ought indeed to be larger, if we have regard solely to considerations of justice. But there arises a certain difficulty in regard to mineral values which does not arise in regard to area values. There is a common belief that mining royalties are "a

burden upon industry," "in the sense that they raise the price of minerals; and that, accordingly, a royalty charge may be the means of closing a mine or forcing a reduction of miners' wages when trade is bad. This is an economic misconception. Mining royalties are clear cases of "economic rent." The mine that is soonest closed in bad times is not that which pays the highest royalty but that which pays the lowest, or none at all. It is the poor or ill-placed mine, yielding a bare profit, which can pay little or nothing to the overlord; the fertile or advantageously situated mine, in the nature of the case, yields the highest royalties; and unless the lessees have made a bad bargain, and undertaken to pay more royalty than the mine is really worth, they will be best able to bear the pinch of low prices.

But, on the other hand, the fact that Continental mines pay to the State a lower average royalty than the British, sets up the presumption that in bad times their lessees can afford to carry on production on a lower margin of profit than obtains at the same time in Britain. This, again, is a misconception, for the *concessionaires* of the State's mining rights will, of course, differentiate their royalty charges to their sub-lessees with relation to the different fertilities and other degrees of advantage in each case. Still, while the presumption exists, it is difficult to eradicate from the British mind the notion that mining royalties burden industry; and if the British Government were to take a reasonably large share of the proceeds of mineral rights, there would doubtless arise a belief that it was thereby tending to cause unemployment in mines.

Even as it is, that cry has been raised; and it is important to have it clearly understood that no such result can accrue. The landowner cannot extort a larger royalty by reason of having to pay increment duty, or the duty on his royalties or wayleaves. He already gets, or tries to get, the full market value for his mineral rights; and that value cannot rise save in virtue of a general rise in the prices of minerals from increase of demand relatively to supply, or from decrease of supply.

§ 2. THE REVERSION DUTY.

The reversion duty, levied on the termination of leases (other than mining leases) of over 21 years, is payable by the lessor.

In levying it, the *total* value of the land (as before defined) at the time of termination is compared with its *total* value at the time of granting. From the increase, if any, there is deducted (a) any part of the added value due to capital expenditure or work done by the lessor during the term of the lease, and (b) all compensation payable by the lessor at its close. Only the remainder is liable to the tax. That remainder is notoriously often very great; and a 10 per cent. tax is a small share to take for the nation from a value that either the lessee or the nation has created.

Where the lessor himself holds only a leasehold interest, he is taxed only in proportion to the added value of his interest; and where he holds a lease of only 21 years or less, he is not taxed at all.

Again there are careful exemptions.

1. Where a lease is closed by agreement before the expiration of the term, and a fresh lease is granted to the lessee for 21 or more years beyond the date at which the old lease would have expired, an allowance is made, not exceeding 50 per cent. of the whole duty payable.

2. Where the land at the close of a lease remains agricultural, no duty is levied.

3. Where the reversion of a lease has been purchased before 1909, and the lease determines within 40 years of the date of the purchase, no duty is to be charged.

4. Where a reversion has been mortgaged before 1909, and the mortgagee has foreclosed before the lease determines, that mortgagee is not liable to pay reversion duty in excess of the amount by which the total value of the land at the time of the determination of the lease exceeds the amount payable under the mortgage at the date of the foreclosure.

5. Where Reversion Duty is due in respect of a benefit accruing to a lessor, and it is shown that Increment Value Duty has been paid on an increment value which is identical with that benefit or any part of that benefit, the sum determined to have been paid in respect of that value is to be set off against the Reversion Duty, and *vice versa*.

§ 3. THE UNDEVELOPED LAND DUTY.

This duty is alternatively a means of causing holders of idle but needed land to contribute pecuniarily to the needs of the community, or of causing them to let their land come into use. It is not enough that they should pay duty when they sell or lease, after having withheld their land from use in expectation of a high rise in its value. Inasmuch as they do a disservice to the community by withholding land from use, they ought to be specially taxed while they do so. The disservice is proved by the fact that the land has a market value, and yet is not put to use. If the site value is not above £50 per acre, there is no tax. The only valid social justification for the holding of land "idle" is that in the idle state it constitutes a public amenity or a sanitary advantage, and for these cases due provision is made by exemption. As always, land with a purely agricultural value is exempt; so is land used for small holdings, or "in course of development," or used for private gardens up to a fair extent, or for public parks and gardens, and woodlands or open spaces, or for public playing grounds, or kept vacant under a scheme of development in the public interest. As thus:—

1. Where site value does not exceed £50 per acre, as aforesaid, no duty is charged.

2. In the case of agricultural land of which the site value exceeds £50 per acre, duty is charged only on the amount by which the site value exceeds the value for agricultural purposes.

3. Where agricultural land is occupied and cultivated by the owner, or by a lessee under a lease originally granted for fifty years or more, no duty is charged unless the total value of the land owned or leased by the same person exceeds £500.

4. Every dwelling-house is allowed an acre of garden or pleasure-ground, free of duty: and where the site value of land and dwelling-houses does not exceed twenty times their annual value for income-tax under schedule A, the exemption is extended to five acres.

5. Parks, gardens, woodlands, and spaces open to the public as a right, or to which reasonable access is allowed (including access for military training), are exempt, if in the opinion of the Commissioners such access is of public benefit.

6. Land used for recreation goes free when so held under a five-years' agreement, or reasonably sure to go on being so used.

7. Not only is land under current agricultural tenancy safeguarded, but land under development for habitation will be treated as developed, and exempt from duty to the extent of one acre for every £100 paid out, up to a term of ten years.

8. Finally, where the Commissioners are satisfied that land is kept free of buildings in the interest of the public, and in pursuance of a definite scheme of development, they may grant exemption.

Thus every precaution is taken at once against injustice, and against undue crowding of buildings. The doctrine of "best economic use," sometimes put forward by land-taxers, needs to be thus safeguarded, else "economic use" might be interpreted in a sense which excluded sanitary and æsthetic benefit, and ignored individual hardship. But under these safeguards it is as wise and as just a tax as ever was levied.

It has been objected that the undeveloped-land tax will not necessarily force into use land held idle, or withheld from the best public use, by speculators waiting for a rise. But even where it fails so to force use, it will relieve the community by taking, to the amount of its yield, the place of other taxation which now falls on those who do render social service, and suffer from the withholding of land.

At present, local taxation in general, and national taxation in part, fall to an injurious degree where they ought not, namely, on things produced. All taxes on machinery are plainly inexpedient, inasmuch as they check its production, and burden further production; yet municipalities in general have habitually taxed machinery, because they were not free to tax land values. All taxes on houses, similarly, tend to check the production of houses and their accessories; yet houses and greenhouses are taxed, for lack of power to tax the unearned land values going to the landowner. To take a familiar instance: given a row of workmen's houses, all of the same size, and on plots of the same size, and all owned by their occupiers in freehold: supposing one of the owners in his leisure time to add a greenhouse to his property, he is extra-rated for the addition. Yet he has done no disservice to the community:

he has added, however humbly, to the total potentiality of beauty, so small at best. Instead of being encouraged, he is discouraged; and every other workman in the row will take care not to imitate him. He ought not to have been extra-rated at all. Any increase in the site value of his plot that may be due to the greenhouse is, in the terms of the case, of his own making: it is earned. Yet some of those who now assess him protest angrily because they are in future to be taxed on increments in the value of their land which have arisen independently of any activity of theirs.

One of the great merits of the Budget of 1909 is that it not only lays just and fruitful and beneficial taxes but prepares the way for a complete rectification of the faulty system of local rating which involves such anomalies and such impolitic procedure as these.

§ 4. THE MINERAL RIGHTS DUTY.

In the levying of this duty there is not a semblance of hardship. It simply takes a twentieth of what the landowner or the purchaser of his mineral rights takes continuously from the mining lessee, or which the owner pockets as surplus profit (= economic rent) in the few cases in which he works his own minerals.

It should be noted that no duty is to be levied in respect of common brick clay or brick earth, or sand, chalk, limestone, or gravel, though landowners levy royalties or dead rents in respect of all these things as well as of building stone and other minerals. The reason for the exemption is the smallness of the prospective yield of a tax in such cases relatively to the cost and difficulty of its collection.

As in every other case, careful provision is made against unfair assessment. Where the owner of the minerals has borne any part of the expenditure usually borne by the lessee, and in consequence receives more than the customary royalty of the district, he is to be taxed only on the customary rate of royalty. In case of doubt as to local custom, the rates paid in other districts may be taken as the standard or guide, according to circumstances. And where a mineral lessee gives a sub-lease, he is entitled to deduct from the rent paid by him to *his* lessor a sum equal to the duty on a rental value of the amount of the rent paid by him.

The tax is simple; and the only obscurity about it is set up by the common error, before discussed in connection with the increment duty, as to its being a "burden on industry." This allegation is made by politicians who themselves propose taxes that would infallibly burden industry. But a tax upon the "economic rent" or *surplus* profit yielded by any form of land in respect of its superior fertility or other economic advantageousness cannot be added to the price of the article produced or taken from such land. Royalties, as aforesaid, vary from a penny per ton or zero upwards, and the tax on royalties simply takes a twentieth of each penny from the receiver, who cannot raise his royalty in consequence.

As we shall see when we consider the fiscal and other prospects of fruit from the Budget of 1909, we are on the way to a greatly increased production of coal and other minerals, in which circumstances royalties on the minerals in question cannot be raised. If in other cases they are ever raised, it must be irrespectively of any effect of the tax.

PART IV.

THE FRUITS OF THE BUDGET.

Sound taxation, we repeat, means more than revenue-getting. That this is sometimes disputed by politicians is a proof that they have either failed to think out their principles, or are misled by some maxims which veto certain *kinds* of fiscal legislation that aim at more than revenue-getting. It is generally agreed, for instance, that the old kinds of taxes called "sumptuary," aiming at checking or controlling the expenditures of particular classes, were ill-considered and of little avail for their purpose. But it does not follow that taxes should not be imposed with an eye to their effect on industry, conduct, and the distribution of wealth. We need only consider the policy proposed by some who have recently insisted that taxes should aim only at revenue, in order to see that they do not hold by their own doctrine.

SOCIAL RESULTS OF TAXES.

The revenue doctrine has been latterly urged, for instance, by Mr. Austen Chamberlain, by way of condemning certain taxes in the Budget of 1909. But Mr. Chamberlain notoriously presses a policy of tariffs on the several grounds that it will promote production and that it will lessen unemployment. If these be grounds for imposing a tariff, other forms of taxation may fitly be

imposed with the same view; and we are not morally limited to the encouragement of industry. If a tax on alcohol promotes sobriety, it is thereby justified, even if it means some decline in revenue. It is no answer to say that it limits the profits of drink-sellers; for, in the terms of the case, these profits have been partly made out of insobriety, which the drink-sellers are legally bound to guard against. And the politicians who propose taxes on imports of food and other necessities have no right to object to a tax on the score that it simply curtails consumption of what is not food.

Taxes are certainly to be levied with a view to the promotion of production. It is on this ground that taxes or rates on houses and machinery are to be deprecated. It is a remarkable fact that they are nevertheless vindicated by politicians who yet profess to condemn all taxes levied on capital. They are, in fact, the typically objectionable forms of taxation of capital. Taxes upon *credit* capital are in no sense different in their effects from taxes upon income,* the primary tendency of which is to move men to further work or production. But when we rate or tax the thing produced, we discourage production to that extent; and, in the cases in question, we are discouraging the production of desirable things.

It is argued, again, that when we tax inheritances we may be causing a drain upon the credit capital which is needed to work industrial concerns. But since the total credit capital of the country remains the same, and the concern affected (having made a profit and possessing a capital value, else there would be no death duty upon it) can borrow other capital, there has been no check to production. What the Government takes, it spends, and the amount returns into the general reservoir of credit capital. If the industrial concern that pays death duty should slacken in its production, other capitals and concerns will at once be encouraged to take it up. To tax the value of a produced thing (house or factory) when it passes by inheritance, is a different thing from annually rating it from the time of its production. The annual rating is a discouragement to the production of more things of

* This is admitted by the Land Union in its pamphlet giving reasons for the repeal of the new taxes.

the same kind: the inheritance-tax is no addition to that discouragement: it simply takes from the heir a poundage on the wealth he receives.

If, on the other hand, a given tax will tend to promote the use of the means of production without injury to national resources, it is plainly advisable. A tax which would lead to the wholesale cutting down of timber without encouraging the substitution of other forms of cultivation stands condemned: a tax which promotes any form of cultivation without checking better forms is a national advantage. There is still imposed in Egypt a thoroughly impolitic tax on date trees, the removal of which might lead to the planting of many thousands of such trees by roadsides. Such a tax can be justified only by proving that the required revenue cannot be otherwise raised.

It was no part even of the old doctrine of *laissez-faire* to refuse to levy taxes with a view to their good effect upon production. Adam Smith expressly proposed to tax at a higher rate the rentals of landlords who either imposed upon their tenants burdensome restrictions as to cultivation, or demanded from them personal services. On the first point he may have been right or wrong; but there can be no question about the nature of his fiscal principles. Nor did he demur to the old Prussian practice of taxing church lands at a higher rate than others, the presumptive object of which was to check the resort of men and women to monasteries and nunneries, which added to the idle population.

Without meddling in this fashion, any Government does well to levy such taxes as will further the use of the land while they provide fresh revenue from it; and for the same reason Governments do well to undertake really productive expenditure which would not otherwise be undertaken. It is a singular fact that at a time at which the "new taxes" of the 1909 Budget were being widely and absurdly denounced as Socialistic, certain forms of expenditure proposed by the Government which might be strictly termed Socialistic were almost universally approved of—to wit, the outlays planned-for under the name of development policy. Almost nobody had a word to say even against the plan of a State system of afforestation, save by way of questioning its ultimate

profitableness. Yet such a system would just as well deserve to be called a measure of State Socialism as do municipal tramways to be dubbed a measure of municipal Socialism. All Socialism is, in fact, a matter of degree. No State ever did or could exist without *some* Socialism: and all civilised States have socialised at least their postal system, which, as Adam Smith noted, was the easiest private undertaking to socialise.

But to call any taxes, as such, Socialistic, is either to talk nonsense or to make the imprudent implication that fiscal justice means Socialism. Socialism proposes the State *ownership and control* of all the means of production; the Budget does not even aim at a national undertaking of any means of production, save in respect of the universally applauded Development Grant. What it does is to take revenue which is to be expended in new ways; and in every instance the effect alike of the taxing and of the expenditure is to promote production.

One noble duke, who is to be commended for employing argument and not invective, contended that the effect of taxing his income by the super-tax and otherwise was to cause him to give less employment to labour. On non-economic lines, he explained, he ran a deer-park, a home farm, and some gardens, and subscribed to a pack of foxhounds; and if his spare income were curtailed, he would have to cut down or abandon some or all of these forms of expenditure. This may be taken as a modest form of the doctrine so boldly enunciated by Colonel Rawson, M.P., at Dorking on July 20th, 1910: "What they wanted to do was to make the rich richer, for it meant more work for the unemployed." In this form the theory is perhaps too pronounced for anything like popular acceptance, though it is widely held on the Conservative side; but as put by the noble duke, the argument seems worth considering.

Let us suppose that his Grace were to abandon the home farm. Would he let it lie fallow? Presumably not: he would rent it to a farmer, who would be glad to get it. His Grace seems to imply, however, that the farmer would employ less labour in working the farm than his Grace had done. If that is the meaning, we have here an interesting instance of the fallacy of "making work." The argument is that he who causes two hands to do what could have been

done by one is a benefactor of his species. The same conception underlies much of the reasoning of tariffists, who argue as if it were wise policy to maximise labour rather than to maximise production. To them the answer is that their object can be best attained by abolishing or destroying machinery. To his Grace the answer is that if he really employs superfluous labour, he has been giving charity rather than employment.

Observe what happens, on his own showing, when he is taxed. If the farmer produces as much from the home-farm with less labour, none the less the money taken from the Duke in taxation goes either to employ extra labour under the State or to pay old-age pensions, which, being spent, augment demand for economic production. So far, there is not loss, but gain, inasmuch as labour is better directed. If, again, his Grace should decide to drop his deer park, he will, presumably, turn that into farms or small holdings, else he is merely cutting off his nose to spite his face. Will, then, the ground formerly used as deer park employ less labour when cultivated than it did when used solely for sport? And will it produce less or more food? And will the results be different as regards the pleasure gardens?

There remains to be considered the subscription to the pack of foxhounds, the withdrawal of which might (1) check the breeding of foxes, and (2) withdraw employment from the men who have hitherto been paid to clean up after the hounds; nay, might even end in the reduction of the hounds to catsmeat. This is, perhaps, too frightful a contingency, from the country gentleman's point of view, to be even lightly discussed; but let us brutally contemplate the worst, knowing as we do that it is not going to happen. Supposing the kennel-cleaners and whippers-in to be dismissed, does that close the fiscal process? Supposing the money taken from the subscribers to the hunt to be spent under the Development Grant in providing new roads and improving the surfaces of others, thereby yielding us roads free from mud in winter and from dust in summer, and supposing the dismissed servants of the hunt to be put to work on the road-making, may they not be as worthily employed in thus bettering the lives of their fellows as in cleaning up after the dogs? His Grace forgets that the money he would have spent is otherwise spent by the State,

and that it must employ labour either way. Some of us prefer the State's ways to his, in the interests of mankind.

But it is hardly likely that his Grace and his peers will act as his Grace threatens. They will probably not in many cases even withdraw, as some of them threatened, their subscriptions to charities. Such threats have been uttered many times during the past sixty or seventy years when new taxes were laid upon wealth. Charity does not seem to dwindle, pecuniarily speaking. But if it does, the super-tax-paying class may rest assured that the poor will not in the long run be the worse provided for. If charity falls short, taxation must do the work.

Inasmuch, however, as the fiscal policy of the Budget promotes production, it will increase income. Even the Duke's income, in the case put forward, will increase. He will be drawing rents from the ground formerly devoted to deer and gardens, and from what was the home farm; and he will thereby be in at least a position to keep up his subscription to the fox-hunt. To tell the whole truth, he will probably stick to the gardens and the home farm, and even to the deer park. For there is one serious omission, doubtless by sheer oversight, in his statement of his case. He assumes that if he draws a cheque for super-tax he must abstain from drawing those which now finance the deer park and all the rest of it. But he has forgotten the cheque he draws to his stockbroker when he makes a new investment. What is likeliest to happen is that that cheque will be somewhat reduced, by a sum which will go to the national Exchequer and thence to old-age pensioners or other recipients, who will spend it in ways that will maintain labour in better ways than the Duke's expenditure did. And that expenditure will probably go on as before. If, at the worst, his Grace should be moved to sell land to the public at lower rates for housing and other purposes, he might experience even an increase of income. To charge £900 an acre for a rural school site is one way of getting rich; but to sell land at a fair rate for town expansion might be better.

It is impossible in this connection not to be impressed by the Duke's apparent inability to see the bearing of his own argument. His notion of right taxation is a tariff, which will fail of its main purpose if it does not raise the prices alike of food and of other

necessaries. If a super-tax curtails the Duke's spending power, equally must a tariff curtail, in Britain, as it is so effectually doing now in tariff-ridden countries, the spending power of the mass of the people. Hard as it may be for a duke to realise it, it means the buying of fewer boots, hats, coats, and articles of furniture. That is to say, it means *less employment for the makers of these things*. Decidedly, if there must be curtailment, it had better be made upon the Duke's income. That will mean, not curtailment, but increase of production, and consequently of employment.

And if the Duke's income should, after all, suffer slightly, that of most other people will increase. Already the income-tax returns have told how the income of the tax-paying classes goes on mounting under Free Trade and under the new taxes. It could hardly do so if production were not increasing. And we have to ask ourselves how far the new taxes will concur with Free Trade in promoting new production.

1. How will the increment tax affect production? We have already dealt with the ducal thesis that only the rich man's non-economic expenditure can add to the employment of labour. What the Government takes it spends; and spending, good or bad, means labour. The residual question is, Will the land be more or less used than formerly? We get diametrically opposite answers from the same set of opponents, nay, from the same men. We are told in the same breath that the tax will force many landlords to sell, and that it will make land dear—two things which cannot possibly coincide. If landowners are forced to any large extent to sell, land must *pro tanto* cheapen.* One leading Conservative, Mr. Walter Long, recently announced his intention to sell the bulk of his land, on the ground that henceforth a landowner cannot hope to live by

* Lord de la Warr has recently explained that *his* sale of his agricultural land "cannot be directly attributed to any action on the part of the Government," but is motivated by the "improved agricultural prospects in this country . . . causing a natural rise in the price of land," which gives willing sellers a good opportunity. The Land Union, it is interesting to note, argue at one time that by any tax upon an investment "its capital value is immediately reduced to the full extent of the capitalised value of the tax," and at another that "the taxation of land can no more make land cheaper than can the taxation of wheat make bread cheaper." (*Reasons for Repeal of the new Land Taxes*, 1910, pp. 19, 22.)

landowning alone. It must be held, he explains, either in small quantities by those who work it or in large quantities by rich owners with other sources of revenue. If he is right, it follows that hitherto landowners as such have been receiving a large unearned income or increment; and that henceforth such incomes will rarely be got from the land. Unless, then, the bulk of it is in future to be held by plutocrats who make no profit from it, it will tend to be held for the most part by men who work it for a living. This is admitted to be a desirable state of things by other Conservative leaders, who are actually now proposing a system of land purchase to that avowed end. If the Budget does the work without State purchase, it is doubly justified.

If, on the other hand, land should in future be more largely than ever held by plutocrats who make no profit from it, one of two things must happen. Either the owners will continue to let it to farmers who do make a profit without paying a fair rent, or they will devote it more largely than before to purposes of sport. Of these alternatives the former does not seem likely: it is hardly intelligible that farmers making a profit should not pay a fair rent, which must in the case of the best land continue to be high. Nor is there any apparent reason why agricultural rents in general should not in future be as high as at present. They are not newly taxed; the Budget of 1909 even gave them a relief amounting to £500,000—a relief often asked from Conservative Governments, and never granted.

Mr. Long's theory would seem to be, then, that between the raised death duties and the increment tax, landowners without other wealth cannot hope in future to add to their wealth by mere landowning. The "industry" of rent-drawing, as Mr. Pretymann once called it, is not going to suffice them. Their estates will either be broken up at their death or be diminished. Once more, then, if Mr. Long is right, the Budget is operating in what Mr. Long's colleagues admit to be the national interest, inasmuch as it promotes landholding by cultivators.

If, however, the land should be found to gravitate into the hands of plutocrats who use it more and more for mere sport, it will obviously be necessary, even on Conservative principles, to take

further measures to force it into proper use. And these measures will certainly not be by way of purchase at the nation's expense. Sporting land will just have to be prohibitively taxed. The only reason for not taxing it at present is that it is generally poor land. The hypothetical development under notice, however, should it really take place, would mean that good land was being turned into sporting land; and every principle of commonsense would in that case dictate a new tax to check the process.

It is hardly likely that this will be necessary. Any considerable extension of sporting land would mean that the plutocrats were becoming much more numerous. Conservatives, as tariffists, can hardly admit that this is probable. It would mean that fortunes were multiplying under Free Trade. Free Traders, on the other hand, do not apprehend it either. They believe that Free Trade tends to the diffusion of wealth, not to its accumulation in the hands of millionaires. That class is rather the product of tariffs, and of the trusts or syndicates which tariffs engender. Millionaires may, indeed, be made under Free Trade by means of the monopoly in land. But in the terms of the case, that source of enrichment is being effectually curtailed by the new taxes. Thus these taxes are already justified to the full by the utterances and the action of the opponents of the Budget. By their implicit avowal, it will both yield a considerable revenue and promote peasant proprietorship.

The further fact that Mr. Long is selling his land in order to invest the proceeds in industrial concerns which, by implication, will yield him a higher profit, would seem to show, finally, that on the one hand he does not despair of British industry under Free Trade conditions, and that on the other hand he has no expectation of the speedy advent of the tariffist party to power. Their policy would certainly raise agricultural rents, whatever they might do with the increment duty and the death duties.

FRUITS OF THE REVERSION DUTY.

2. What, next, will be the social and fiscal fruit of the Reversion Duty? Either the leasehold system will continue very much as at present, or it will be considerably curtailed. If the latter should happen, here also, in the terms of the case, town land will be brought

into the market at an increasing rate; its utilisation will be promoted; if its value should still rise, the increment duty will come into play, to the great profit of the revenue; and in any case its freer use will mean the better housing of the community. Between the reversionary system and the holding of land idle, the way of housing reform has been made hard. Between the Reversion Duty, the Increment Duty, and the Duty on Undeveloped Land, it promises to be made easy.

If, on the other hand, the system of leases with reversions should continue, the community will at least recover a share of the "plunder" that is normally extracted from it. When the exactions of lessors are pointed out to opponents of the Budget, they are wont to reply angrily that the reversion duty will not restrict such exactions in the future. This is far from certain; but if it be true, then the charge of "plunder" obviously cannot be brought against the Budget in this connection. If landowners are allowed to continue to extract large masses of unearned increment out of lessees, their grievance becomes highly elusive. They are simply protesting against being taxed on their unearned wealth in the interest of the public which made it for them.

The revenue which the tax may be expected to yield is sorely needed for town improvement and many another social purpose, and to social purposes it will go. At a time when thousands of trained teachers are workless, while those in work are forced to teach classes too large to be properly handled, the spectacle of the accumulation of the natural wealth of towns in the hands of landowners who leave to their tenants and lessees the heavy burden of the rates is enough to move a rational public to more stringent action for its own salvation than is represented by any of the taxes in the Lloyd George Budget. But it is a definite beginning, and it will yield new public revenue enough to make a great and hopeful difference in the conditions of English town life before many years are over.

FRUITS OF THE UNDEVELOPED LAND DUTY.

3. Concerning the Undeveloped Land Duty, as concerning the Increment Duty, we were told many times in the debates in the

House of Commons that it would make land dearer. The argument was that if a man had to pay duty on his undeveloped land he would charge the more for it when he did sell. Well, let him. By refusing offers he raises the market value, and so raises the duty. When, finally, he sells at a higher price he will have to pay the more on the increment duty.

Is it likely, then, that land speculators henceforth will set themselves to "best" the State by holding on more tightly than ever to their land, counting on making an enhanced profit which will recoup them for both the undeveloped land duty and the increment duty? It is extremely improbable. They have always held out, in general, as long as they could; and it is not readily intelligible that they should be able to hold out longer than before when they have to bear a new annual burden as well as to reckon on surrendering a fifth of the increment when they sell. But if, as a result of the curtailment of gains of this sort, there should arise a kind of capitalist with a longer range of speculation than that of the operator of the past, all that will be required will be to confer upon rating authorities the power to rate undeveloped land a little more for local purposes. It is all a question of pressure; and no English-speaking community outside the mother-country would have abstained as long as we have done from putting on the pressure needed to give municipalities the power to control in the public interest the land on which they stand. In the United States, vacant lots in towns pay rates as a matter of course. Whatever monopolies may have been generated under the tariff system—and they are many and monstrous—the right to hold land idle without cost in a community that needs it is not recognised by our kin beyond seas.

FRUITS OF THE TAXES ON MINERAL RIGHTS.

4. As to the taxes on mineral rights, and on increment arising from discovery of minerals, there can be no reason to anticipate in that direction any but good results. Already the mining royalties paid in the United Kingdom are estimated at £10,000,000 per annum; and in the very period of the discussion of the Budget of 1909 there appeared a dozen announcements of new mining projects, resulting from fresh discoveries of minerals. The taxes

will not check these developments. If Mr. Walter Long be right in his forecast, ordinary landowners cannot now afford to withhold their minerals from exploitation; and plutocrats are not the men to abstain from working mineral rights because of having to pay 5 per cent. on their royalties to the State. Even the opponents of the Budget do not seem to argue that it will check the working of minerals. Some landowners of the old school may be moved to refuse to let their minerals be worked because of the tax on royalties and the increment duty; but they will be a forlorn few. The chances are that the new taxes will not appreciably quicken the rate of exploitation, any more than they will check it. They will simply secure to the community a fraction of what ought to have been a national inheritance and would have been so if our medieval ancestors had had any foresight of the developments of the eighteenth, nineteenth, and twentieth centuries.

It would be idle to profess to forecast any more exactly than this the social fruits of the Budget of 1909. We can afford to "wait and see," remembering that secondary results beyond present calculation are likely to arise in course of time. The probability is that the "new" taxes on the land have come to stay. The outcry against them has been no greater than was the outcry against the death duties when they were imposed by Sir William Harcourt. That was just as vital an interference with the doctrine of "absolute property" as the new interference with the doctrine of absolute property in land; and the death duties in turn were only a further application of a principle of taxation already applied in the legacy duties. All such taxes alike assume the special taxability of unearned wealth; since all bequeathed or inherited wealth is unearned.

When Gladstone in 1853 imposed the succession duties, he was likened, among other things, to the vulture; so that Lord Rosebery's "vulture," conjured up *à propos* of the death duties which had been first imposed by his own Government, is, as has been remarked, a phoenix. But after the storm of resentment over such taxes has raged itself out, the taxes remain; and Conservatives do not attempt to abolish them. In the debates on Sir William Harcourt's death duties, Mr. Balfour gravely argued that the effect

of them would be to make it impossible for property owners to get anyone to become an executor, and estates would have to be administered by the undertaker! Such are the predictions in which Conservative statesmen trade when they are resisting any new measure of fiscal justice. Mr. Balfour's party came into power shortly afterwards; and they made no attempt to abolish the taxes which they had declared to be ruinous to the State and iniquitous to the individual. So, doubtless, it will be with the new land taxes. The resignation already avowed by Mr. Walter Long will be ere long shared by his coadjutors.

THEORIES OF LAND TAXATION.

Posterity, indeed, will probably be struck by the essential moderation of the Budget of 1910. It has not put in operation any of the more "advanced" principles of land-taxers; and herein the Chancellor of the Exchequer has shown his financial prudence. He has not only given no countenance to the doctrine of "the single tax"; he has not attempted to impose the annual tax of 1d. in the £ on the capital value of all land, which was the standing minimum in the demands of the single-tax school. He doubtless reasoned that such a tax would constitute a departure from the principle of equality of sacrifice, inasmuch as it would specially tax, not a form of unearned increment, but a form of property, irrespective of the economic gain derived or expected from it. Land values are obviously a proper basis for rating as compared with houses and machinery; but an annual State tax on all land, as against an income tax, is another matter. Under an equal annual tax on all land values, gardens and lawns would in some degree be discouraged; and the mere holder of land, receiving from it no rent and looking for no unearned increment, would pay a tax not paid by the holder of stocks and shares. The receiver of ground rent, again, would be taxed, while the receiver of pure house rent would not.

The weak point in the single tax doctrine, as commonly expounded, is that it treats minerals (including clay and stone as well as ores) as *products* of the land, like corn and wood, when they are really *removed parts* of the land. If the theory were consistently applied, they would be treated as subject to tax in perpetuity for

the non-made and irreplaceable element in them, as distinct from the added element of manufacture, just as the site value of the land is valued separately from the "improvements" which make farm soil a manufactured article. On the single-tax theory, the farmer is not free to remove any irreplaceable element in the soil; but brick and stone and iron, the main ingredients in houses, are so removed, though irreplaceable. The "rent" paid for the power to extract them ought not, on the logical basis of the single-tax theory, to give the power to appropriate them. The ordinary single-taxer, whether he admits it or not, makes here a compromise for practical reasons.

But if the Chancellor of the Exchequer were to follow him, he would be laid open to new criticism. A fiscal system which should not merely tax unearned increment and insist on the community's right to control the use of land by fiscal means, but also progressively tax all landholding as such while taxing no other form of capital investment, would raise new moral issues which could not readily be solved. The fact that land is limited in quantity and inextensible on demand would not here be a valid principle of differentiation. Of course, as already urged, other inextensible forms of property—such as first editions, Old Masters, rare postage stamps—are *practically* untaxable, inasmuch as they could and would be exported to evade the tax; and this would so far be a valid answer if the single-taxer chose to make it. But the single-taxer does not recognise the analogy at all. He recognises only one form of property that is not created by the owner and limited in quantity. His most valid formula of differentiation is here, of course, the further mark: "essential to the existence of the community;" but there he breaks down over the analogy of minerals, in which he allows untaxed private property without pleading the mere impracticability of taxing them. Indeed, he could not argue that the houses would be liable to be exported if they were taxed on the score of the uncreated, inextensible, necessary, and irreplaceable element in the brick, stone, and metal. Thus his single-tax theory is not the flawless theorem he supposes it to be.

When, again, he impugns the income-tax, arguing that since all concrete wealth comes from the soil, the one sound fiscal policy is to tax the use of that, and for the rest to leave every individual

to acquire what wealth he can through his own exertions, contributing nothing further to public burdens—when he reasons thus, yet another issue is raised. Under the conditions posited, certain forms of genius or faculty—for instance, that of the great medical specialist, that of the great singer or actor, or successful jockey, or popular music-hall artist, or that of the attractive portrait-painter, or popular novelist or dramatist—would earn very large incomes, to say nothing of the gifted speculator or the great inventor. On the single-tax principle, such special incomes would contribute to the common fund—unless the individual used a large area of land—less than that of a small-market-gardener. The rich genius or jockey, we are told, ought not to be asked to make any sacrifice of his earnings, inasmuch as he earns his wealth by his own faculty, and not by exploiting the land, which no man made. But the genius did not make his own faculty: he has there come by inheritance into a possession which others lack: is it not then fair to tax the gain he makes by it? And is not his existence wholly dependent on the community around him, whereas that of the market-gardener, strictly speaking, is not?

All of these more or less fantastic problems arise inevitably out of the single-tax theory, and there is no solving them. Away from the basis of reciprocity of sacrifice, there is no sure ground for fiscal policy; and the Budget of 1909, holding to that ground, is open to no vital attack. It does not force the receiver of ground rent to pay, apart from his special gains by increment and reversion, a tax not paid by the holder of stocks or shares. The assertion of its opponents that it penalises property in land, and newly challenges the rights of ownership, is untrue. It no more takes away the right of property in land than does an income-tax the ownership of income. Those who argue that a man's right to his land is like his right to his dog, seem to forget that he is already taxed on his dog; that already the State applies to land principles of compulsory sale which are applied to no other form of property. The State has thus long recognised that in this particular the doctrine of absolute property cannot stand as against the needs of the community. But still the right of property re-

mains, now as before. The Budget does not treat simple property in land as more unjustifiable than property in consols, which is equally a mortgage on the national income set up by the State in the past. In so far as it newly taxes capital, under the death duties, it taxes land and stocks alike; even as it super-taxes super-income from land and from stocks alike. In taxing undeveloped land, fiscally speaking, it does but make that form of property contribute like others, as it ought to do, to the common burdens of the community, where formerly it did not contribute at all. What it specially taxes is not any form of property, but the *unearned increments* which one form of property generates, and which *would* be taxed when they accrue to other forms of property if it were practicable and worth while to tax them.

THE SANITY OF THE BUDGET.

The Budget of 1909 thus stands free of the reproach of inequity, and equally it escapes the blame of impolicy as regards its social operation. It has infuriated the selfish interests, but it deserves well of the commonwealth. Not only does it at no point endanger industry, it scrupulously preserves natural amenity. It was argued in the Budget debates of 1909 that the taxes under discussion would have the effect of making town land so exorbitantly dear, that houses would be built on the American plan of twenty or more storeys to escape the increment duty. This was pure nonsense; for the undeveloped land duty would be levied on all the land abandoned, and the lowered price of that would cause it to be built upon. The fear of the *increment* duty could not cause builders to leave cheap land idle. But it is conceivable, as aforesaid, that an annual tax on the capital value of all land added to rating on the same basis would cause a limitation in the demand for garden or lawn area round houses, and cause such areas to be built upon. In that case, this fashion of forcing land into the "best economic use" would be open to obvious and grave objection. A town whose area was wholly made up of houses and market gardens, and factories and brickyards and so forth, would be neither sanitarily nor æsthetically desirable, if it were possible.

The Lloyd George Budget sets up no such risks. If it errs at all, it is in the direction of under-taxing increment and land willfully withheld from use in townships where it is publicly needed. If then the yield of the new taxes should fall short of the estimates, it will not be because of forcing any general and great shrinkage in land values. That they cannot do. Men will not be less willing to buy land and houses because in case of unearned increment the seller will have to pay a percentage as increment duty, or vacant land because it is paying duty for being undeveloped.

Given the sound financial basis, the social gain is limited only by the sagacity with which the expanding revenue now broached is applied to worthy social ends. The first great expenditure provided for, that of Old Age Pensions, has at last reached the stage of acceptance by all parties; and the Conservatives actually claim votes on the score that if returned again to power they intend to go on paying the pensions, from whatever source they may have to get the revenue. There remain schemes of social stabilising and reconstruction only less urgent, and no less essential, notably the scheme of national insurance against unemployment; and it is the crowning grace of the Lloyd George Budget that it was framed to provide for that and kindred measures.

Conclusion.

The outcry against the Budget as a resort to Socialism might fitly be stigmatised as either illiterate or insincere if it were not so obviously a mere outburst of anger seeking epithets for relief. The conception of Socialism excludes taxes altogether. And if we follow up Mr. Balfour's criticism that it is "not Socialism but Socialistic," we still find logical vacuity; for the plan of "Development" associated with the Budget is the one formally Socialistic item in the whole scheme, and yet it met with general Conservative assent. A policy of Nationalisation of Railways would distinctly be a potential step in the direction of Socialism, as was the nationalisation of posts, telegraphs, and telephones, but the professed haters of Socialism never so recognise it. For that matter, the setting up of Old Age Pensions is a theoretically Socialistic step, and yet the entire Conservative party not only protests its determination to maintain them

in perpetuity but claims credit for being "the first to propose them." In the face of such a claim, its denunciation of the new taxes as Socialistic is a striking instance of Conservative unconcern for moral rectitude.

TAXATION BY TARIFFS.

But Conservatism, finally, is seen at its very worst in the fiscal policy which it proposes in opposition to that of the Liberal Government. Professing—at least in so far it is represented by the Land Union—to accept the principle of equality of sacrifice in taxation, it not only seeks to withhold all unearned increment from special impost but propounds a tariff in which the foremost item is taxation of food. As the chief item in the expenditure of a workman's family is that made for food, and the proportion of that item to the whole becomes greater in the inverse ratio of the income, till among the poorest it is tragically high, the iniquity of the tariff policy is here "gross as a mountain, open, palpable." The iniquity is sought to be palliated or hidden by a farcical series of theses: (1) That the proposed tax on corn will not raise but lower its price, though the Land Union implicitly argues that it *must* raise the price; (2) that "the foreigner will pay," though an imbecile reservation is made with regard to maize and bacon, upon which it is admitted he will *not* pay; and (3) that "the tax on corn will not be felt" by the consumer, in which event it would obviously be as little felt in the resulting revenue. And all this picaresque argumentation goes on in disregard of the fact that the tariffist policy proposes to tax not only corn but all imported meat and dairy produce.

Of all such taxation the perfectly certain effect is to add to the income of the landowning class, inasmuch as the rise in the price of food products will infallibly raise, not farmer's profits, but rents. In Germany, by the calculation of Professor Brentano, the food taxes bring to the coffers of the State five millions of revenue as against forty millions put in the pockets of the large landowners, who are nearly the sole beneficiaries of the tariff on agricultural produce. Rents and prices of land, in consequence, have enormously risen.

SOCIAL FRUITS OF TARIFFS.

Thus the Conservative policy is not merely to resist the taxation of unearned wealth but to *add to* unearned wealth as well as to manufacturers' profits by the systematic plundering of the mass of the people. While the right of the nation to secure a fraction of the gain which is created solely by the total activity of the community is denied, and the absolute right of the landowner to every farthing of his monopoly gains is affirmed, the right of the toiler to the produce of his toil is as implicitly denied as it has ever been by any despot in the past. And the political stupidity of the tariff policy is on a par with its immorality. Mr. Chamberlain, proposing to make dear the food of the masses, and to take toll of the bread of the widow and the orphan, offers to compensate them by making their tobacco cheaper. It is the last word of Imperialistic insanity. In all the great tariff-ridden States the taxation of food or of other necessities is demonstrably lowering the health standards and breaking down the stamina of the people; and this course we are adjured to take in Britain on the plea of the necessity of consolidating the Empire. The toiling masses are to be made to love the Empire by a policy which for them makes life shorter, darker, and harder, and embitters their stunted bread with the flavour of a new injustice.

In the last comparison of details of fiscal policy, we find Mr. Chamberlain proposing to halve the tax on sugar, and reduce the taxes on tea and tobacco, while taxing bread, meat, cheese, eggs, poultry, and all manner of manufactures. For the taxes on manufactures he offers no compensation whatever, though by proposing compensation on the head of food (and ludicrously inadequate compensation at that) he admits that on his own principles fiscal compensation ought to be made on those heads also. His proposed reduction of sugar duty has already been made by Mr. Asquith without any countervailing addition to the people's burdens; the duty on tea has also been reduced; and when the new taxes yield the surplus for which Liberals hope, it will be their first duty to make an end of the "breakfast-table taxes" altogether, as they would have done long ere this had not the pernicious finance of their

opponents made it so hard to spare those sources of revenue. And still the tariff policy will be striven for.

We shall then be left to the spectacle of a policy which, as against the taxation of unearned wealth and super-income, proposes to tax all the necessities of life, and offers by way of compensation to cheapen whisky and tobacco. Behind a movement which thus flouts alike common-sense and common decency, there must be either an unprecedented measure of blind self-seeking or a cynicism hardly credible in our time. Tobacco, indeed, might reasonably be cheapened by a Free Trade Government, given the means, on the score that it is one of the few luxuries of the poor. But the proposal is made in the name of a policy which avowedly seeks to impose a tariff as a means, among other things, to retaliate upon commercial rivals who set up high tariffs against British goods. Our tobacco comes chiefly from the United States, one of our chief rivals, and the one which has the highest tariffs against our manufactures. Thus, one of the few conceivable instruments of "retaliation" open to British use is given up in advance by the retaliators, and this solely because, being a non-protective tax, it could put no public plunder in private pockets.

THE PROBLEM OF UNEMPLOYMENT.

The policy which thus so nakedly pursues the private gain of its backers as against the national interest seeks, naturally, to masquerade under one pretence of public spirit. After being told successively that a tariff was advocated (1) to consolidate the Empire and secure its due defence, (2) to broaden the basis of taxation, and (3) to check emigration, we are assured (4) that all along the main object was to maximise employment. It is significant that this aim was originally made subsidiary: Mr. Chamberlain could not count on Conservative support upon such merely humanitarian grounds. In the stress of debate, however, the more decent plea necessarily comes to the front. None the less, its fraudulent character is stamped upon its face. If, as the argument runs, more employment to native labour is to be secured by manufacturing at a higher cost of labour and capital goods such as now come in cheap, no revenue can be raised by taxing the goods which now come in. To yield it, the foreign goods must continue to

come in. At best, the tax could raise at the outside only some four millions (at ten per cent.) on the small quantity of fully manufactured goods which we import: any larger revenue, apart from food and raw material, could be raised only by taxing some hundred millions' worth of goods which, though themselves manufactures (as leather, paper, metals, chemicals, etc.) are really the raw material of great industries. And to raise the four millions, well-nigh the whole of the finished manufactures now imported must still come in. Yet the plea of "making work" by excluding them is still put forward as the real motive. Different audiences—sometimes, indeed, the same audience in the same speech—have been assured that the goods, continuing to come in, would yield the promised revenue, and that the tariff, by excluding them, would put new work in the hands of the British workmen to the amount required to produce goods like them. Such are the arguments for the policy proposed to be substituted for that which taxes super-income and unearned wealth.

It is needless to expose further so transparent a fraud. Whether the goods now imported continued to come in or not, the total amount of employment could not be increased by a fiscal system which made everything dearer. Home demand and foreign export must alike fall. The hallucination to the contrary, if honest hallucination it be, can arise only out of the spectacle of increase of output in the case of a country which suddenly comes into possession of new resources—as in the case of Germany after the invention of the modern process for working hematite iron—or one whose natural resources are immensely great, as in the case of the United States. And both of those countries have suffered enormously from unemployment since the calamitous collapse of 1907, which began in the highly protected United States, and has there endured longest. All the more scrupulous tariffists now admit, consequently, that no fiscal policy can secure "work for all."

And nothing can secure it. Apart from new measures of public employment, there is only one decisive way to deal with the evil—the scientific way, namely, of national insurance, which can secure that when trade depression comes the sufferers shall be

preserved from want. That plan, like the institution of Old Age Pensions, is bound up with the Lloyd George Budget, and to it the whole Liberal party is pledged.

It remains to be seen whether the opponents of democratic finance will carry their resistance to the length of fighting National Insurance against Unemployment. When Mr. Austen Chamberlain introduced the opening debate in the Parliament of 1910 he declared that the problem of promoting national well-being was one not of "better distribution of wealth," but of greater production thereof. It is emphatically both. Wealth production is actually promoted by every sound measure which maintains the consuming power of the people; and that the Liberal policy secures while promoting research and experiment towards the better exploitation of natural resources. But there is the plainest need for securing also "better distribution"; and this is to be done, in the matter of unemployment, by insurance, as well as by the co-ordination of all sound methods of public employment in times of distress, and the general utilisation of the land by fiscal and other measures.

In the years 1908 and 1909, when Britain suffered seriously from unemployment, there was still an immense trade, the figures of exports and imports being higher than any save those of a few immediately preceding years. There was thus assuredly credit-wealth enough in the country to secure the maintenance of the unemployed. From any point of view, such provision is desirable in the highest degree. And so long as the co-ordination of public and private employment is so imperfect as to leave a margin of industrial distress, the need for a provision by insurance is imperative.

Under a system of National Insurance it can be made without even the formal semblance of Socialism; and so may be the further and only less necessary provision of a system of State insurance against sickness and invalidity. All alike are to be financed upon the basis of the great Budget of 1909-1910. If Conservatism should still be found resisting such entirely beneficent schemes of national betterment, its moral impeachment will have been framed at its own hands with all possible fulness. One would expect it, at such a

juncture, in sheer self-preservation to seek credit, as in the matter of Old Age Pensions, by claiming to have been "the first to talk about" the new policy. The claim would not be true; but that need not withhold the Conservative party from making it, if precedent is to be followed.

The claim of having helped to force the problem of unemployment to the front is the one respectable plea ultimately left open to the party of "Tariff Reform." The credit of having grappled with it is, as usual, left to the Liberals.

CONCERNING THE NAVY.

By
T. J. MACNAMARA.

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CONCERNING THE NAVY.

**"We are pre-eminent to-day, that cannot
be gainsaid."**

Mr. ALAN H. BURGOYNE, M.P., in the "*Navy
League Annual*" for 1910-11.

NOTHING, during the last General Election, filled me with greater regret than the attempts to make the British Navy a pawn in the Party game. Surely Army and Navy should stand—like foreign policy—outside and above mere party squabbling!

And if I seek to reply to certain criticisms made at the last Election, and made under circumstances that leave little doubt that they will be requisitioned again, I write as a man who believes in and loves his country—as a man who desires to see our friendly relationships with the peoples of the world grow more and more cordial, and as a man who earnestly wishes to see the settlement of international differences by peaceful arbitrations—rather than as a mere partisan.

But justice to the Government, my colleagues, and myself, compels me to note and correct certain statements put into circulation, as I say, for the purpose of purely party warfare.

Generally, the charge against the present Administration is that it has neglected National Defence in this vital particular—the maintenance of adequate sea power. As to which, my first general reply is that the Navy Estimates for 1910-11 stand at **£40,603,700**—the largest sum ever voted in the estimates in any one year by the British people for their Navy.

But now let us examine criticism in detail.

I.—The Dockyards. It has been constantly stated that the present Government has been responsible for a policy of reduction in the Dockyards.

The truth stands thus. The total number of men employed in the Home Yards when the Liberal Government took control at the end of 1905 was **27,888**. To-day it is **36,895**.

II.—Dockyard Works, Buildings, and Repairs. Here the allegation again is one of parsimony and cheese-paring. Now, taking expenditure actually met out of the revenue of the year, in 1905–6 the then Tory Government voted **£889,388** plus **£1,015,812** to meet Loan Charges under the Naval Works Act—in all **£1,905,200**. This year we have voted **£1,672,548** plus **£1,322,752** to meet Loan Charges under the Naval Works Act—in all **£2,995,300**. It is perfectly true that in 1905–6 the Government of the day expended very large sums additional to those already named, but these were met out of loans, the repayment of which they left to their successors.

III.—The Shipbuilding Vote. This all-important vote has been the subject of the sharpest criticism. It is on this vote that the charge of having neglected national interests in their most vital place especially arises.

What are the facts? Last year the three sections of this vote reached the sum of **£15,818,600**, the largest amount voted since 1904–5. This year's estimate is **£20,453,600**—a sum which is the greatest ever voted by a British Parliament.

The Vote, I may add, includes the amount to be spent on New Construction as well as on Repairs and Refits. Last year of the total vote (**£15,818,600**) the sum of **£8,885,194** was allocated to New Construction. This year, of the total vote (**£20,453,600**) the sum of **£13,279,830** has been allocated to New Construction, again representing a sum greater than the British people have ever devoted to New Construction in any one year.

THE MANNING OF THE NAVY.

Then it has been stated that we are not sufficiently mindful of the need to maintain an effective *personnel*.

Great Britain makes provision in this year's Estimates for **131,000** officers and men, the great bulk of whom are long service, while even the so-called Special Service men and Stokers serve for a period of five years before passing into the Reserve. In addition, the Reserves amount to over **55,000** officers and men.

There is nothing like this in the world. All other Navies are manned by short-service men—with the exception of the United States Navy, in which men enter for four years and re-enlist for further periods of four years—and no Navy has on its active service list a *personnel* **half as strong numerically as ours.**

I have seen the British sailor at work many times during the past three years. I have seen him at battle practice; in the engine room; in the stokehold; at the rifle-butts; in the gunnery school. I have seen him at work and at play. Well may Lord Charles Beresford tell us that the *personnel*, officers and men, is excellent.

Take Gunnery alone. Here proficiency has splendidly improved in recent years. No one who is in a position to study the returns of the Gunlayers' Tests and Battle Practice can do other than express the greatest admiration for the progress recently accomplished.

STANDARDS OF STRENGTH.

Here criticism against us has been and is most persistent. And especially is a contrast unfavourable to ourselves instituted between our shipbuilding efforts and those of our great friendly neighbour, Germany. As to Germany's shipbuilding programme, that is a matter entirely for the German people. They know their business: we know ours. The British people harbour no shadow of ill-will towards the Germans. On the contrary, we look with admiration and respect at the thoroughness and sincerity with which the German people apply themselves to problems of Education and the Social Welfare of their people generally. We see many courses being prosecuted in Germany that it would be well if we followed. In the field of Commerce we are associated with Germany on terms mutually advantageous. As H.M. Consul-General Sir Francis Oppenheimer says in his Report for 1908:—

“Germany must be counted among the United Kingdom’s very best customers, and the United Kingdom is in many respects of decisive importance to Germany.”

Long may this happy community of interest continue and flourish. Recently numbers of our own working people have visited Germany. They came back with divided opinions on a good many social and economic topics. But one and all came back delighted with the spontaneous spirit of goodwill, amity, and friendship with which they were everywhere greeted by their fellow-artisans in Germany. Long may this good fellowship continue and flourish.

But, remembering our island position, the fact that our bulwark is the Blue Water, the fact that we depend so enormously upon sea-borne foodstuffs for our tables, and upon sea-borne raw material for our Mills, Factories, and Workshops, the least we can do—and that without the shadow of any ill-will towards, or any anxiety respecting the aims and intentions of, any of the peoples of the world—is to see that our sea-forces are kept in a position of unassailable supremacy. Not for any purpose of aggression. Simply to stand sentinel. That, for an island community like ourselves, is the most elementary expression of the law of self-preservation.

Well, again and again, we are told that our sea-forces are being overhauled in strength by those of this great friendly people. Are they?

MR. BALFOUR’S GLASGOW SPEECH.

Now on October 19th Mr. Balfour made a speech at Glasgow which I cannot but characterise as surprising. In that speech he directed the attention of his hearers to the year 1913 as the period at which our preponderance of ships of the “Dreadnought” type would be so narrow as to make our situation a matter for some anxiety. We should then, he said, have a superiority of only four Dreadnoughts over this, the next great Naval Power.

Well, in the first place I observe that Mr. Balfour’s danger zone is steadily drifting into futurity—which is a

comfort. In the Naval Debates of last year his anxiety was directed to the period from the end of 1910 to the spring of 1912. It has now passed away, as I gather, to the spring of 1913. And I cannot help feeling that this process of post-dating may possibly be repeated from time to time as the future of to-day merges into the present of to-morrow.

A MARGIN OF FOUR?

But again, Mr. Balfour put our supremacy in Dreadnoughts over the next great Naval Power in 1913 at 4 only. He bases his calculation, he tells us, upon the Government's own calculations. That certainly carries the Government's statements rather far. What *was* said from the Government benches in 1909 was that in certain eventualities, and given certain accelerations, the next great naval power might have 21 Dreadnoughts in 1913. It is quite true that, in the debate of July 14 last, the Prime Minister assumed that this power would have 21 "in 1913-14." But in dealing with the spring of 1913—which is Mr. Balfour's period—the Prime Minister gave that power not 21, but 17.

And certainly the element of assumption as regards these 21 ships being in commission and on the high seas by the spring of 1913 pervades the whole of the Government's statements both of 1909 and 1910. And, giving the benefit of the doubt to national safety, the Government provided for the possible contingency which that assumption involved.

THE REAL MARGIN.

But how does the matter stand now that possibilities are materialising into accomplished facts? In the spring of 1913, the next great naval power will not have 21 Dreadnoughts, but 17 at the most. We shall have 25, plus the two Colonials. Thus the actual margin lies between 17 and 27, and not between 21 and 25. **Therefore the Balfour "margin" of 4 is, in point of fact, 10.**

It is interesting at this point to note the Dreadnought Table given at pp. 109-110 of *The Navy League Annual* for 1910-11, edited by Mr. Alan H. Burgoyne, M.P. *That* gentleman, at any rate, will not lie under the

suspicion of being a "Little Navyite." Here is *his* forecast :—

"(a) On March 31 this year the following ships of the Dreadnought Class were in commission :—

B. Empire.	Germany.	U.S.A.	Japan.	Brazil.
8	2	2	1	1

"(b) On March 31, 1911, the totals should be as follows :—

B. Empire.	Germany.	U.S.A.	Japan.	Brazil.
12	5	4	2	2

"(c) On March 31, 1912, the position should be :—

B. Empire.	Germany.	U.S.A.	France.	Japan.	Brazil.
20	9	6	6	4	2
Italy. Argentina.					
1		1			

"(d) On March 31, 1913, the position should be :—

B. Empire.	Germany.	U.S.A.	France.	Japan.	Russia.	Brazil.
27	17	8	6	6	4	3
Italy. Austria. Argentina. Spain.						
2		2		2		1

Mr. Burgoyne prefaces his Table with the statement that "in the following figures it is impossible to take into consideration probable delays in completion." That is, of course, the case. And, for this and other reasons, he will absolve me of any desire to be disrespectful if I do not accept his very interesting Table in all its details. But what **does** it show? This! **That Mr. Balfour's margin of 4 is, as I have said, a margin of 10.**

I would also add that Mr. Burgoyne admits, with an honesty and candour that do him the greatest credit :

"WE ARE PRE-EMINENT TO-DAY: THAT CANNOT BE GAINSAID."

I can imagine that such an admission is not exactly to the taste of Lord Charles Beresford's "wild men"!

It is only fair to Mr. Burgoyne to say that in his opinion "little hope of reduced Estimates can be held out if that pre-eminence is consistently to be maintained in the future."

But the measure of our "pre-eminence" is not fully gathered by any means if the investigation is confined to the Dreadnought type of Battleship. There is the pre-Dreadnought British Navy, easily the most powerful in the world. Like Mr. Balfour, I will not over-rate that great fleet. I know, of course, that its fighting effectiveness diminishes day by day. But at this moment it constitutes a very powerful factor indeed in Britain's sea-power. Even Lord Charles Beresford will tell you that 18 of these pre-Dreadnought Battleships will still be able to take their place in the line in 1913. These 18 he estimates as equal to 9 Dreadnoughts—a valuation I will not pretend to discuss. **Therefore Mr. Balfour's "margin" of 4 first becomes 10, and then, when the field is further surveyed, 19!**

Although I have quoted Lord Charles Beresford's estimate of the value in 1913 of the Pre-Dreadnought Battleships, I am careful not to discuss that estimate. Neither can I, generally, accept the noble lord as an altogether reliable authority in matters of high naval policy. I observe that on June 30, 1909, Lord Charles laid before the London Chamber of Commerce a great Naval Programme to meet our needs up to March 31, 1914. I make an extract:—

"My programme is as follows:—Ten battleships. I put battleships—they are what are called Dreadnoughts, but probably they would be improved. In the ten is included the four which the country is asking for now when they ask for eight. The Government have only suggested four. If they put down eight, I only want six; if they do not put down eight I want ten."

Very good. But turning to Lord Charles's first "Open Letter" to the Prime Minister, dated September 27, 1910, I find him saying:—

"To the proposals for a shipbuilding programme which I had the honour to lay before the London Chamber of Commerce last year, and during this year the House of Commons, I adhere in every par-

ticular. In framing my proposals, I stated that sixteen heavy ships must be built during the period from 1909 to 1913-14."

Now I am most anxious not to misrepresent the noble Lord ; but I really cannot square his London Chamber of Commerce Battleship programme with his "Open Letter" programme. Of course, his 16 may have been an emendation necessary, as he may think, to meet accelerations and new entrants into the field of Dreadnought building. **Yes ; but the noble lord certainly did not ask for 16 in the London Chamber of Commerce programme. He asked for 10.**

I do not lay any particular stress upon the discrepancy ; but there *are* statements of Lord Charles Beresford to which, as it seems to me, public attention should be called.

I will take two. At the Bristol Dolphin Dinner on November 13 last year, the noble lord is thus reported in the *Times* :—

"Very many valuable ships are being laid up to rust away—for what ? Simply to save pay and pensions."

In the *Times* of November 18 last year, Admiral T. S. Jackson wrote :—

"Lord Charles Beresford should give the names of the ships to which he refers, and specify the service in time of war for which he considers they would be of value."

Has Lord Charles Beresford ever responded to this very proper invitation ? If not, why not ?

I take another statement. More than once during the late General Election the noble lord was reported as having charged the Liberal Government with having scrapped a large number of vessels (150 is given in the report of one speech ; 154 in the report of another).

In the House of Commons on March 14 this year, I called the noble lord's attention to these reports, and pointed out that the "scrapping policy" was entered upon in the fall of 1904 and the beginning of 1905 by

Lord Cawdor, with the enthusiastic support of Mr. Balfour. In reply Lord Charles flatly denied the accuracy of the newspaper reports, and finally admitted (see Official Reports 1910, vol. xv., page 145):

“It was the Unionists who scrapped them.”

Very good! Judge of my astonishment when I open the *Standard* newspaper for Monday, November 21, and read above Lord Charles's signature—

“The net ‘results of Liberal policy’ were . . . to lay up and sell whole squadrons of valuable ships!”

Now, if this remarkable statement has reference to the “scrapping policy” of 1904–5, Lord Charles Beresford's memory has again played him false. If the laying up and selling of whole squadrons of valuable ships has reference to some subsequent nefarious act of the Liberal Administration, it is due to the country that the details should be set forth by the noble lord.

THE PRE-DREADNOUGHT FLEET.

With regard to our pre-Dreadnought Fleet to which reference has already been made, I think a more detailed statement may well be given. It is quite true the fighting efficiency of its splendid squadrons is steadily diminishing. Still, even in 1913–14, as already shown, Lord Charles Beresford in his “open letter,” calculates that 18 of them will be able to take their places in one line, the 2 Lord Nelsons, the 8 King Edwards, and the 8 Bulwarks. **And in making this calculation, he dismisses entirely the pre-Dreadnought ships of the next great Naval Power.**

But to complete the picture it is certainly necessary to carry our investigations into the facts respecting pre-Dreadnought battleships and armoured cruisers. The following statement will show the number of Battleships flying our flag, and that of the next great Naval Power respectively, in April 1912, each then under 20 years of age:—

	GREAT BRITAIN.	GERMANY.
No. of Battleships ...	40	20
Aggregate Displacement ...	585,000 tons.	241,000 tons.
Total Guns mounted	152—12 in.	40—11 in
	8—10 „	40—9·4 „
	52—9·2 „	140—6 „
	28—7·5 „	164—5·9 „
	416—6 „	

The table of Armoured Cruisers is not less interesting.

	GREAT BRITAIN.	GERMANY.
No. of Armoured Cruisers (Excluding "Invincibles," which have been treated as Dreadnoughts.)	35	8
Aggregate Displacement ...	416,000 tons.	78,524 tons.
Total Guns mounted	68—9·2 in.	6—9·4. in.
	70—7·5 „	32—8·2 „
	332—6 „	74—5·9 „

MY CONCLUSION.

Now what do I make of all this? That the British Navy is easily up to its own best traditions of strength and efficiency; and that it was never more capable of performing its vital duty of protecting British interests at home and abroad than it is to-day. I make this further. That the man who proclaims the contrary is either ignorant of the facts, or—as I am afraid is too often the case—knowing the facts, exploits our people's very proper concern for the Navy simply for party ends.

To the man who is ignorant of the facts I commend these lines with all respect.

To the man who fights party conflicts behind the blue-jacket the facts are useless; and any invitation from me that he should examine them would simply irritate.

I will only add this, that these constant allegations of neglect are particularly odious and intolerable to those who are responsible to Parliament and the country for the state of the Navy. Surely the men who make these charges should remember that our sense of patriotism is no whit less ardent than their own.

THE LORDS' REVOLUTION.

A SPEECH

DELIVERED BY

THE RIGHT HON.

SIR EDWARD GREY, M.P.

(Secretary of State for Foreign Affairs),

AT TROWBRIDGE,

On November 24th, 1909.

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PRICE ONE PENNY.

find that any Minister in charge of a great controversial bill ever displayed in Parliament a more open mind, a greater willingness to listen to reason, a more conciliatory manner in dealing with opposition than the present Chancellor of the Exchequer in his dealings with the Finance Bill. Deputations went to him to discuss matters. He was ready to discuss any hard case and any inequality, and so long as deputations went to him to discuss, and not to make a controversial demonstration, they were received and listened to, and the result is shown in the final form of the Budget, because numerous amendments were introduced to it in the House of Commons. Every Minister in charge of the Budget was himself willing to listen to reason, to consider any hard case, and willing to introduce amendments. The very fact that so many amendments were introduced is made a reproach against the Budget. What would they have said if we had refused all amendments, if we had forced it through by the guillotine, and rejected all amendments? Everybody knows what uproar there would have been, and it would have been itself urged as a reason for rejection by the House of Lords. Now that enormous time has been spent over it, now that great patience and care and conciliation have been shown, and now that the Budget has been amended, they say that is in itself a proof that the Budget cannot be sound.

"The Throw of a Gambler."

It went through the House of Commons after amendment, and now the Conservative party in the House of Lords have determined to break through the Constitutional practice of generations, and to refuse to pass the Finance Bill. That is not an act of statesmanship. It is the throw of a gambler—and the throw of a gambler who is playing for a big stake. It is by withholding supplies, by claiming the right to withhold supplies, and to grant supplies, that the House of Commons gained its position in this country. What is happening now is that the Lords are making that claim for themselves. They claim to withhold supplies, and if that claim is conceded it means that they are going to acquire for themselves that power which the House of Commons has acquired by means of the control of supplies.

The Commons, the Liberties of the People, and the Power of the Purse.

Cast your eyes back over the constitutional struggles in this country for two hundred years. It is the House of Commons, and not the House of Lords, that has won the liberties of the people. The House of Commons won them by its control of the grant of supplies, and those who value the liberties of this country must insist that power shall not be filched from the House of Commons, and that the House of Commons, and not the House of Lords, is the guardian of the liberties of the people, and has

won their liberties for them. In the hands of the House of Commons that power must remain unimpaired. Before the House of Lords put forward this claim to refuse the financial supplies of the year, a Liberal Government, though its bills might be wrecked and marred in the House of Lords, could at any rate carry on the government of the country; but if the right of the House of Lords to interfere or suspend Budgets is allowed, it becomes impossible for a Liberal Government, not only to legislate, but to carry on the government of the country at all.

"The Thick End of the Wedge."

We cannot carry social reforms—or, if we do, we cannot find the money for them—we cannot even keep up the Navy, unless we are prepared to resort to methods of taxation of which the House of Lords approves. That is the issue before the country. Social reform we must have. The Navy must be maintained in its full strength. But we claim our right to do it by methods of taxation which are in accordance with Liberal principles and Liberal finance. This is not the thin end of the wedge on the part of the House of Lords. It is the thick end of the wedge. The thin end of the wedge was inserted three years ago, when they wrecked the Education Bill. They have been marring Liberal bills for the last four years.

The Tories and the General Election of 1909.

I think they have never realised since the last election what their true position was. For twenty years before 1906 the Conservative party had been in power for all but three of these years, and even for these three years in a position of great strength, because the Liberal majority was so small; and during these twenty years the Conservative party seem to me to have slipped unconsciously into the impression that it was their right and due always to be in power. They have never fully realised what the people of this country meant at the last election. So the House of Lords has been encouraged during the last four years to assert itself against Liberal legislation more than it has ever done before; to assert its authority increasingly year by year, and to assert it against the biggest majority which the House of Commons has ever had. And now, as the appetite grows by eating, after rejecting our bills, they are taking to refuse to pass our finance.

What is the House of Lords?

What is the House of Lords? What claim and what title has it to influence and respect? Well, it has some excellent men. Some men who have done first-rate public work in this country and outside it. It has some men of great business experience. I would never for a moment wish to depreciate the fact that the House of Lords does contain men of great experience, and,

rightly, of great personal weight and authority. But they are a mere handful of the whole House of Lords, and the others who compose the voting strength of the House of Lords have, so far as we are aware, no more right, no more natural right, than that of the average citizen to assert their authority over us.

The constitutional right, as it has hitherto been understood within limits, they have had. But the natural right has never been in accordance with the constitutional right, and for that very reason it has been considered that the exercises of the constitutional right should be strictly limited. Now they are passing the limits of what has been constitutional practice without any increase of their natural right.

Is their present Action the Will of their Wisest Men?

Oh, but we are told that, having wise, able, and experienced men among them, the great body of the House of Lords is always guided by these wise, able, and experienced men. Are we quite sure that the step they are now taking is really the will of their wisest men? Are we quite sure that the hand of Lord Lansdowne and others has not been forced by the great body of Tariff Reformers in the House of Lords, who are more reckless, more thoughtless, than their elders? We do not know, but we shall see how many of the wisest men in the House of Lords abstain from following Lord Lansdowne in the reckless course to which he has been committed. I think that we shall see after the division some names not supporting Lord Lansdowne which will make it clear that the course which the Lords are now taking is not by any means ratified by the ablest, wisest, and most experienced men within the Conservative side.

Never really a Second Chamber.

But what is the House of Lords as a whole? Is it a Second Chamber? Well, not what is understood by a Second Chamber in any other country. We are called the "Mother of Parliaments." Our institutions have been frequently imitated in other countries. We are proud that this is so, but the House of Lords is not that part of the Constitution which has been imitated. I am in favour of a Second Chamber. I always have been so. But a Second Chamber should be something which, to some extent, shares the feeling and reflects the opinions of the country. Now, does the House of Lords do that? If it does, it only does so by accident. We have no guarantee that it will do so, and it does not perform the functions of a Second Chamber. In my opinion, it never really is a Second Chamber. When a Conservative Government is in power the House of Lords is dormant; it is not a Second Chamber, but a sleeping partner. When a Liberal Government is in power, it is not a Second Chamber; it is an

Opposition. It never is an independent, impartial, revising authority, which a Second Chamber ought to be, because when it is independent it is not impartial.

The Lords' Action from 1900 to 1906.

The House of Lords had from the year 1900 to 1906 an overwhelming Conservative majority, as it always has. You might have said that the House of Lords was then in sympathy with the feeling of the country, because there was a large Conservative majority in the House of Commons. Very well, but it never exercised its functions of a Second Chamber. The election of 1900 took place on the war. By the showing of the Conservative leaders themselves it was on the war. The people were told that whatever their opinions on licensing, on education, and on the Irish question, they were compelled to vote on the war issue, and on that issue along. But the votes they obtained in that way they used to pass an education measure which created the greatest indignation in the country. Did the House of Lords ever take the point which this House has now taken against us, that they must take the judgment of the country? Did it ever take the point that the Conservative party had no mandate? It never murmured. It did not take those points. It was the same with the Licensing Bill. The House of Lords assumed then that the representatives of the people in the House of Commons were, so far as the House of Lords knew, representing the opinions of people of this country.

What the Old Doctrine was.

It was an old doctrine, a doctrine held in the days of the Duke of Wellington, who was not a Liberal Minister, but whose opinions carried great weight, that the House of Lords must not inquire whether the House of Commons represented the feelings of the country, but must accept the decisions of the House of Commons as that of the representatives of the people. But we were told by Lord Halsbury the other day that that is a new-fangled doctrine. I always thought Lord Halsbury about as Conservative as anyone could be, but that he should be Conservative enough to consider the Duke of Wellington new-fangled exceeds even my expectations. However, from 1900 to 1906 the House of Lords might fairly claim that it was impossible for anyone to say that it was not in sympathy with the feeling of the country. There was a Conservative majority in the House of Commons.

The Position after the General Election of 1906.

But in 1906 came one of the greatest changes of opinion and parties that this country has ever seen, and a Liberal Government came into power. And though there had been a tremendous

change of opinion in the country, and in the House of Commons, the Liberal Government, representing that change of opinion, started the work, and took office with precisely the same overwhelming Conservative majority against it in the House of Lords that had existed in the previous Parliament. Now, if you are to have a really good revising Second Chamber, the Liberal Government ought, at least, coming with that tremendous majority, with that overwhelming expression of opinion in the country—it ought, at least, in 1906 to have started its work with a presumption in its favour in the Second Chamber. It had no such thing. It had exactly the same stubborn, irresponsible, unconvincible Conservative majority against it when it was in power that it had in opposition. There was the House of Lords from the very beginning, and though we had the opinion of the country so strongly expressed in our favour in 1906, there was the House of Lords, sometimes afraid to strike, but always willing to wound. You cannot have the Government of this country carried on permanently under these conditions.

If the Lords could have touched South African Self-Government——.

Look for a moment at our work in the last four years. I would like to point out to you the great danger that we have escaped, and escaped solely by the accident, in my opinion, that we were able to do our work without legislation. I refer to the settlement in South Africa. The crowning settlement in South Africa, the Federation in South Africa, did require legislation, and that Federation has been unanimously accepted by both parties as being a great success—a great success for the South African Colonies; I think it is accepted by both parties as a result happy beyond anything that we could have expected a few years ago. But what made that possible—the grant of self-government to the Orange Colony and the Transvaal? That was the work of the Liberal Government. It was denounced from the Front Bench by the Conservative party. It was denounced by Lord Milner—whose opinion carries so much weight with them on South African affairs—and had it required legislation—had it required a bill needing the consent of both Houses in order to give self-government to the Transvaal and the Orange Colony, I say, judging by our experience of the last four years, judging by our experience of the Budget to-day; judging from the way in which our action was found fault with and denounced by the leaders of the Conservative party at the time, I say it is a moral certainty that the House of Lords would have refused to pass our Bill, and if it had refused to pass our Bill, if we had not been able to give self-government to the Transvaal and the Orange Colony at the time we did, if we had been prevented—as I believe the House of Lords would have prevented us, had it had the power—you would have not only no Federation of South Africa to-day, but I believe you

would have had a state of trouble and political difficulty such as might have driven all other political questions from the platform in this country at this present moment.

An Imperial Disaster.

I can imagine no greater Imperial disaster than that the Conservative party should have had their way in defeating the grant of self-government to the Transvaal and the Orange River Colony, no greater political disaster. But that is just the sort of question upon which the House of Lords would have asserted its authority. It would have been an Imperial question. They would have said they were the guardians of Imperial interest. They had the statesmen who understood these questions, that the House of Commons was occupied with domestic concerns, and its opinion was so unreliable they would have quoted the authority of Lord Milner and his experience in South Africa to show how dangerous it was to take this premature step, and I think the least they would have done would be to say, This step is premature; it must be suspended. We cannot pass it until, at any rate, we have known what the opinion of the electors is. Yes, and it is just that question on which delay would have made the whole difference between the happy result which we have to-day, and perhaps one of the greatest political difficulties and disasters which could have occurred within the Empire. We only escaped on that by the constitutional accident of not having to submit our decision to the verdict of the House of Lords.

"We can deal with the Lords' Powers."

Well, I am no Single Chamber man. I would much prefer to see a good Second Chamber, responsive to the will of the people, but sharing their feelings, sharing their opinions. I would like to see that. But the Liberal party cannot make it. We cannot reform the Constitution of the House of Lords against its will. It talks sometimes of reforming itself. But it is so tied up to the hereditary principle that the more it talks about reforming itself, the more it talks of change, the more it remains the same thing. We can deal with its powers, and though the House of Lords has precipitated this issue on finance, and though the decision of the country must be clear, conclusive, and complete on the point of finance, we have to look a little further than the Budget.

After the Coming General Election?

Supposing, for the sake of argument, that the House of Lords agrees to pass the Budget after the Liberal party have received a majority at the next election. I say, supposing for the sake of argument, because I am not so sure, in spite of all

they say to-day, that even if there is a majority at another election they would pass the Budget. I am sure, if they wanted not to do so, Lord Halsbury could easily find an excuse to make out that, somehow or another, the case had not been fairly presented to the country, and that the verdict of the electors, in some way or another, was not clear and decisive in regard to the Budget. But supposing, for the sake of argument, that they do pass the Budget after an election, then they will use the very fact that the election took place upon the Budget as a reason why they should pass no future Budget afterwards, or no Liberal legislation, without again requiring another appeal to the country. That follows from their argument. They say they cannot pass the Budget until the opinion of the country has been taken on it. When the opinion has been taken, they will say, "Yes, that may hold good as regards the Budget, but the very fact that the Budget was the issue means that nothing else was the issue"; and having passed the Budget, we shall again be face to face with the same difficulty. We cannot again have a great Liberal majority starting upon four years of work, if the House of Lords is going to pursue the same course as it has in the last four years.

What is Essential and Absolutely Necessary.

I should not advocate any change which would mean that a small, capricious, haphazard majority of the House of Commons should be regarded as infallible, but I do think it will be essential after the next election, if good Liberal work is to be done, that there should be some fair and reasonable means accepted by the House of Lords by which, in the case of deadlock between the two Houses, the settled, established, decided opinion of the House of Commons should prevail. Many solutions of that are possible, but the House of Lords by their conduct on the Finance Bill—which has made it clear, not only that legislation is to be impossible for Liberal Governments in the future, but that government altogether is to be impossible, and that they are to be the people who are to decide when an election is to take place—has made it absolutely necessary that there should be some readjustment of the relations between the two Houses, which will cover the whole field of legislation.

The Text of the Budget the Policy of the Government.

Let me say a word or two about the Budget. The text of the Budget represents the policy of the Government. The policy of the Government is contained within the four corners of the Budget. There are a great number of people—I should say about 99 per cent. of the Conservative party—who seem to know nothing at all about the Budget, but to know almost by heart

certain speeches which have been made outside Parliament with reference to the Budget. I should be the last to suggest that the speeches of Cabinet Ministers should not receive due attention—but people would be forming a very erroneous opinion of the Budget if they pick out one speech of one Minister without looking at the whole of his speeches, or if they pick out the speeches of one Minister without looking at the speeches of the Government as a whole.

Alleged "Threats."

I admit that by some Cabinet Ministers very vigorous language has been used. There was once a French description of a certain animal, which said: This animal is very naughty, when he is attacked he defends himself; and I doubt whether any Cabinet Minister has used language more vigorous than that which has been used against him on the other side. But if you go on to say that in the speech of any Cabinet Minister are threats that all property is going to be taxed out of existence, that the income-tax is to go on until it reaches 20s. in the pound, and the death duties until they reach 100 per cent., then I say that is not a fair construction of any single speech which has been made by any Minister on behalf of the Budget.

"The Fairest Way."

The Budget is, I believe, the fairest way of raising the money which is required for the country. It raises it in the way which is least burdensome to industry, and least oppressive to the people who can least bear taxation. But I do not for a moment believe that anybody in the Government ever intended that the Budget was to be the beginning of a great Socialistic system. It is not. It stands by itself. I give you freely my own opinion, that it is undesirable that the income-tax, for instance, and the death duties, should be so high as they are at present; but it is much more desirable that they should be as they are, than that the money required for the interests of the country should be raised by some way which would be still more damaging to the country. I quite admit that those duties are high, but that is a reason—if we believe that these duties are high, and if we believe that you cannot indefinitely go on raising more and more money out of income-tax and death duties—that is a reason for endeavouring to keep down the expenditure of the country.

The Growth of Expenditure.

The growth of expenditure is no doubt a most serious evil. It has been in the last four years inevitable, or, at any rate, we are all of us of opinion, that with regard to the Navy it was inevitable, and that with regard to Old Age Pensions it was desirable, and we have to meet it. We have met it, I think, fairly

by the measures in the present Budget. But it does not follow from that that you can go on indefinitely increasing the expenditure of the country, and that you can always go on raising the income-tax, and always increasing the death duties, because you cannot do it. They will not produce the money which is required, and it will begin to affect the prosperity of the country. But when you come to consider the proposals of the Budget, and present them and defend them as the fairest and best distribution of the great burden which the country has had to meet, you see that the effect of them has been grossly exaggerated on the other side. You meet people who tell you that they are ruined by the Budget. When you ask them how they are ruined, whether they have got their lawyer, or their agent, or their man of business to go exactly into the question, and find out how much the Budget is going to cost them, you find very few who have done that.

“Not Specially Aimed at the Dukes.”

Let me remind you first that the Budget is a perfectly fair distribution of burdens. It taxes the rich, no doubt. It taxes the working classes through whiskey and tobacco as well. It is not specially aimed at dukes. They, like other people, differ from each other in temperament and in wisdom. Some of them have remained silent, some of them have only spoken when they have been attacked, which it was perfectly reasonable for them to do; but some of them, when the Budget was introduced, at once put themselves into the fighting line, and set up such lamentable cries that they gave the impression that the Budget was specially made against dukes. It is not specially made against dukes and landowners, who I am afraid are such sensitive people that they have not recovered from the nervousness which afflicted them when they first read the accounts of the Budget in Conservative newspapers, and they have not realised what the Budget means. With regard to land. Of course it is natural that such people should be nervous. A very great intellect many years ago described the unhappy position of people who have few things to desire and many things to fear; but I would ask these people to collect themselves, and consider with regard to land what the Budget really does, because even Lord Lansdowne, I am afraid, has not thoroughly understood the land proposals of the Budget.

Lord Lansdowne and the Land Values Taxes.

Before his speech in the House of Lords, I imagined he had been spending the last few months in studying the Budget, following amendments, and reading the debates in the House of Commons, but anything more misleading than Lord Lansdowne's description the other day of the effect of the Budget on the landowners it is difficult to imagine. He finds fault with the halfpenny tax on undeveloped land. He says that the halfpenny tax sounds a small thing, but that the land is going to be

valued by a young man appointed by a Government department at about £500 a year, and he says that if a young man at £500 a year chooses to discover that your acres have a potential value for some remote purpose, your halfpenny becomes not a halfpenny, but three shillings, four shillings, or five shillings in the pound. He creates young men at £500 a year with great imagination, and this is evidently what he has in his mind. He imagined a man with an acre of land at present worth £50, used for agricultural purposes, and bringing in perhaps 30s. a year, and then he imagines the young valuer at £500 a year saying, in his sanguine imagination, that this land, instead of being worth only £50, is worth about £500, or even £1,000, an acre for building purposes. Young men at £500 a year are, of course, fallible, and it would be a very hard case if, when land in this country comes to be valued, a young valuer were found of such great imagination that he valued an acre which was only worth £50 at £1,000, and so realised some of Lord Lansdowne's apprehensions. I will admit, for the sake of argument, that there is a real danger of that sort of thing happening. But suppose it did happen, we have provided an appeal from the young valuer to an independent referee, and if the independent referee has a double dose of imagination, and says that the land may not be worth £1,000, but it is, at any rate, worth £500, there is a further appeal to a perfectly independent court. So far as I can gather from Lord Lansdowne's speech in the House of Lords, he has not realised that these appeals are provided in the Budget, and that they form the most perfect safeguard that human ingenuity can devise against any such impossible valuation as he suggested.

The Burden of Income Tax on Agricultural Land Lightened.

Lord Lansdowne also said that the Budget is hard upon landowners, and that the Government have singled out for specially severe treatment a form of wealth derived from an enterprise on which the profits are small and uncertain; an enterprise which for years past has been paying, in consequence of the manner in which it is assessed for income-tax, a great deal more into the Exchequer than it could reasonably be expected to pay. It is clear that Lord Lansdowne is using the term landowner as an owner of agricultural land. It is agricultural land which he has in his mind, because it is agricultural land alone which has for years past been assessed for income-tax at more than it should be. Lord Lansdowne's argument is that we have selected that for specially severe treatment. The truth is exactly the reverse. We have done something to lighten the burden of income-tax on agricultural land. We have not selected it for specially severe treatment, nor on agricultural estates are the death duties increased under the Budget. There is no specially severe

increase. The increase is in each case alike. We have also raised the income-tax on unearned income to 1s. 2d., but the increase falls on the landowner as on the man of business, or on the man deriving money from investments. But in assessing income-tax on the agricultural landowner he is now to be allowed to deduct 25 per cent.—a perfectly just remission.

The Budget and Agricultural Land.

The Budget does not put land in any more unfavourable position, but it does redress the inequality between the assessment of income-tax on land and on business enterprise, and it has been done by a business Government. If, while imposing some additional burdens on agricultural land, as on other forms of property, we have redressed one of the grievances under which land suffered before, it is ridiculous to say we have selected agricultural land for specially severe treatment. Where the burden on land was specially unfair we have done something to remit it, but where land was escaping taxation on its full value, where there was land which had a value much greater than it had for merely agricultural purposes, there, no doubt, we have singled out that land for special treatment, and we were perfectly right to do it when money was wanted for the country. You have had land in the country worth for agricultural purposes £50 an acre, but in reality worth £500 an acre, or more, but rated solely on the £50 value. We propose that that land should pay a small tax on its real value, the value which it would fetch in the market if sold to-morrow.

Discrimination between Earned and Unearned Incomes.

I take a sentence from a speech constantly quoted as exciting grave apprehensions—the statement that under the Budget we are not only going to inquire how much a man has, but how did he get it? To these apprehensive people on the Conservative side, that conjures up a picture of inquisition into the property which every man has, such as has never been known in any civilised country, I would say, but what is it, what is the application of that principle? It is what we have done with the income-tax, and what we did some two years ago in the Budget. We have discriminated between earned and unearned incomes. We have said that the man who is earning an income of, say, £2,000 a year, which is precarious because it depends on his exertions, his health and life, should be taxed more lightly than a man with a corresponding income which is entirely independent of his efforts. I hear it said that all sorts of people, doctors and other professional men, imagine they are going to be ruined by the Budget, but, unless their incomes exceed £2,000 a year, they are going to pay less income-tax than they paid under the late Conservative Government. If you like to say this is a Socialistic Budget, that is an example of the sort of Socialism contained in

the Budget, but it is a perfectly fair and just principle, and thoroughly in accordance with the principle I am laying down. When you have to make a large demand on the country, you ought to put it on those shoulders that are best able to bear it.

Alleged Taxation of Industry and Thrift.

I hear it said that the Budget is going to tax industry and thrift. It is not going to place any extra taxes on industry till industry results in more than £2,000 a year, and it is not going to put any increased burden in the shape of death duties on thrift until thrift has passed £5,000. When thrift does assume the proportions of millions, no doubt taxation would assume much heavier proportions. But, it is said, you are going to tax thrift. That is intended to mean that you are going to tax savings, and those whose incomes are small. That is what we have avoided doing.

Where Industry and Thrift are Taxed.

If you want industry and thrift taxed, you must go to Protectionist countries. Here not only income-tax is much lighter on unearned incomes up to £2,000 a year, but incomes up to £160 are free, but in some Protectionist countries incomes under £100 a year are taxed for income-tax. Well, it is to Protectionist countries you have got to go to find these taxes on industry and thrift carried down to those classes which are least able to bear them; and if you are afraid of Socialism, it is to Protectionist countries you must go for increases in the Socialist vote.

"Protection and Socialism go Together."

There has lately been a great increase in Germany. I know nothing of the conditions of elections in Germany, but I see in some German newspapers the increase is attributed to the German system of taxation. It is Protection and Socialism which go together, because Protection places burdens most on the wage-earning classes, especially the burdens on the food of the people. When we come to decide the issue of the House of Lords don't let us forget that one, if not the main, reason why the Conservative party desire to reject the Budget is because they see it stands in the way of Tariff Reform. I say that by standing in the way of Tariff Reform it stands in the way of Socialism, and I cite the increase of Socialist votes in foreign countries as proof of that statement.

The Real Burdens on Thrift and Industry.

Are Tariff Reformers going to tax food? You cannot get an answer from Mr. Balfour. He won't tell you. Do not think it is disappointing that Mr. Balfour will not say whether he means to tax food or not, because it is more disappointing to Tariff Reformers than it is to us. But they mean to tax food, and in the long run he will have to do what they want.

These are going to be the real burdens on thrift and industry, and oppressive to the people, because you can never make things cheap by taxing them. You are bound to make them dearer, and dearer food means less purchasing power for wages. It may mean more thrift, but it will mean less saving.

The Budget and Tariff Reform.

They want to reject our Budget—they made no secret of that at Birmingham—because, they say, it is intended to postpone Tariff Reform indefinitely. I trust it will postpone it for ever. Why will it postpone it? Because the Tariff Reformer wants a deficit. He desires it. We have never yet had a policy in this country which obviously wished for a deficit until we had Tariff Reform. They held out Old Age Pensions as a bribe to induce people to consent to food taxes, and Tariff Reform. Then they said—Mr. Balfour's own telegram, I think, said it on one occasion—that they alone could provide the money for Old Age Pensions. In the same way they would like it to be thought that the expenditure for the Navy could only be found by Tariff Reform, and their exasperation with this Budget is that it finds the money for both without Tariff Reform. Oh, yes, the cry, No Tariff Reform, no Navy! and No Tariff Reform no Old Age Pensions! would have been very convenient at the next election. The Budget has stopped that cry, and that is why they are so exasperated with the Budget.

"We do not intend to Minimise the Issue."

It is the House of Lords that has forced this issue into an acute phase. The question at the next election is to be between Tariff Reform and Free Trade finance. It was always to be that, but it is also now to be between the House of Lords and the House of Commons. The two have become inseparable. The House of Lords refuses to pass this Budget because it wishes to clear the way for Tariff Reform, and that has made the issue, not of Free Trade only, but of the House of Lords as well. We have borne a great deal for the last four years. Things have now been made impossible for us. We do not intend to minimise, or to shirk the issue which has been raised. We realise the importance and the seriousness of the struggle. It is because we realise it that we shall go into it with our full strength, and with the help of the people of this country we will see the thing through.

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THE
CONSTITUTIONAL
ISSUE.

A SPEECH

DELIVERED BY

THE RIGHT HON.

LORD JAMES OF HEREFORD

In the HOUSE OF LORDS

On NOVEMBER 29th, 1909.

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THE CONSTITUTIONAL ISSUE.

LORD JAMES OF HEREFORD, *speaking in the House of Lords, on November 29th, on Lord Lansdowne's motion for the rejection of the Budget, said*:—My Lords, as I am unable, I regret, to afford support to the Amendment moved by my noble friend Lord Lansdowne, I hope you will not grudge me an opportunity of very briefly stating to you the reasons which have caused me to come to the conclusion that such support should be withheld. I am happy to be able to use the word “briefly,” because from the nature of the position that I suggest should be taken by this House I am precluded from dealing with more than one point that has been raised in the course of the debate. My proposition is that it is beyond the constitutional competency of this House to reject this Bill. I do not shrink from that position. It is the result, perhaps, of political training in old Whig principles; but clearly and distinctly I submit the proposition and stand by the view that we have no competency to reject this Budget.

The Constitutional Relations of the two Houses.

Now, my Lords, if you will allow me, I will elaborate that proposition. My noble friend on the Woolsack stated that in determining the question of competency we were not controlled by what was the law affecting the subject, but that we were controlled by the constitutional power that exists within this House. I venture to say respectfully that, notwithstanding the opinions expressed in the House against that view, the Chancellor's proposition is a sound one. My noble friend Lord Halsbury, replying to the Lord Chancellor, said: “What is the part of the Constitution that is infringed by the rejection of this Bill?” I will tell my noble friend. It is exactly and precisely that portion of the Constitution which controls the relations between the two Houses of Parliament. The law does not control those relations. How could it? Those relations have sprung up during centuries, and the Constitution is founded, happily for us, on a solid basis. It has been founded on precedent, usage, practice, and acquiescence, and all these characteristics are in favour of the proposition that the House of Lords in its relation to finance measures, and in relation to the House of Commons, is controlled by precedent, practice, usage, and acquies-

cence. If time were given to me, I think I could demonstrate to your Lordships that every one of these ingredients comes into play to prevent your Lordships from taking the course which it is now suggested you should take.

Law *versus* Constitutional Custom.

I have heard the phrase used by many of your Lordships—it has certainly been used in the Lobby: “You admit that it is legal, and the law is good enough for me; if it is legal, that is satisfactory.” My noble friend Lord Midleton spoke just now of our privilege and of our legal rights as if that determined the question. As I said just now, legal considerations do not control the relations of the two Houses. I know I cannot expect you to accept propositions barely made by me, but there is one authority on the difference between what is law and what is constitutional custom to which I would, with great confidence, refer your Lordships. In the year 1856 the Government of the day conferred a life peerage on Sir James Parke, afterwards Lord Wensleydale. The Conservative members of this House objected to that life Peerage, and it was objected to by probably the most distinguished Conservative lawyers who have sat in this House. Lord Lyndhurst led the opposition to it. What was Lord Lyndhurst’s view, concurred in by Lord St. Leonards and Lord Campbell? Lord Lyndhurst said:—

“I hear it repeated this is part of the prerogative of the Crown and that the Crown may legally appoint a Peer for life. Assuming that to be the case, it does not follow that every exercise of such a prerogative is consistent with the principles of the Constitution. The Sovereign may, if he thinks proper, create by his prerogative a hundred Peers with descendible qualities in the course of a day. That would be consistent with the prerogative and strictly legal; but everybody must feel and everybody must know that such an exercise of the undoubted prerogative of the Crown would be a flagrant violation of the principles of the Constitution. In the same manner the Sovereign might place the Great Seal in the hands of a layman wholly unacquainted with the laws of the country. Other cases might be adduced, but these already cited are sufficient to establish the principle I maintain. Every person who has studied the Constitution of this country and who is at all conversant with the principles on which it is founded must be aware that one of its principles is long continued usage.”

I could give your Lordships other authorities. As I mentioned, Lord St. Leonards and Lord Campbell agreed with Lord Lyndhurst that in dealing with the prerogative of the Crown at least you do not look to law, you look to usage, and if my noble friend Lord Halsbury asks me, “Where is your constitutional declaration?” I answer that I have given it to him—that is the relations of Parliament following usage and precedent which show us the Constitution with which we have to deal.

The Question of Legal Right.

I also reply to my noble friend who says law alone should control our action, and ask him, if you are dealing with a legal right, where is the record of your legal right? You say that you have the declara-

tions of great men in favour of it. Where is the proposition that can be found to support the idea that only law should guide us. My Lords, do let me remind you that it is not only in regard to the relations of the Houses of Parliament that this constitutional power comes in as distinguished from law. Why is it you cannot vote at elections? There is, as far as I know, no law to prevent you. It is because the Constitution prevents you, and it would not be enough for you to say, "I have a legal right to vote, and that is enough for me." The Judges of the land have told you that you have not, because the Constitution prevents you. You will not be allowed when this conflict takes place to enter into it; you will not be allowed to record your votes, and you will not be allowed to go to an election meeting because long habit and long usage prevent you, not in consequence of any legal disability but entirely in consequence of constitutional disability. There may be some who will say that similar considerations have affected the judicial decision that women have as certainly as your Lordships no right to vote.

A House of Lords Admission.

Now, my Lords, in referring to what has occurred in the past, I will be very brief, although I could occupy hours in giving you authoritative declarations of your inability to intervene in this controversy. This conflict really began early in the fifteenth century, but I will skip a good many events and read to you an early declaration of this House of what its rights were in the year 1640. In that year the House of Lords, for some reason, was very desirous that the Commons should take Supply first. The Lords sent this communication to the Commons—

"Under all the circumstances, although my Lords would not meddle with subsidy, which belong properly and entirely to you"—
this is the solemn admission of this House to the House of Commons—

"no, not to give you advice thereon—they have utterly declined it—yet being members with you of one body they have declared by vote that they hold it most necessary that Supply should have precedence over every other matter whatsoever."

That was the view of this House at that time. But that sturdy old Republican, Pym, gave a very firm answer. He said:—

"Your Lordships have been pleased to advise that this matter of Supply naturally belongs to the House of Commons. Your Lordships say you would not meddle with it, no, not so much as to give advice, yet if you have voted this Resolution you have meddled with it, and the House of Commons takes that to be a breach of privilege."

Lord Chatham's Declaration.

I pass over the great revolution of 1688, which, as Lord John Russell said, gave the liberty which was the real foundation of our great Constitution, and come to the solemn declaration of Chatham that it was the House of Commons alone in which was vested the power of taxation. He said: "Taxation is no part of the legislative

or governing power. The taxes are a voluntary gift and grant of the Commons alone," and then Lord Chatham eloquently gave his reasons for repudiating any power in this House to deal with Supply Bills. Then, my Lords, the words of Edmund Burke have been quoted this evening, and the principles contained in them ring through the pages of our history.

Pitt's Rebuff to the House of Lords.

There is another example that I should like to give because I think it follows what has been done in earlier times, and because the weight of its authority may affect noble Lords on this side of the House. In 1786 Mr. Pitt introduced a Bill to apportion £250,000 a year to the redemption of the National Debt as a kind of Sinking Fund. When the Bill came to this House, the Lords thought they would interfere with the proposed legislation, but they had no information. Of course this House never has any information on the question of subsidy. They sent a message to the Commons asking for information. Mr. Pitt received the message, and although he was not, I think, likely to assume anything against the House of Lords—he must have had many grateful friends within it—he indignantly refused to give this House the slightest information. He said it was for the House of Commons to deal with the question of appropriation of taxes, and he moved a Resolution in terms declaring that the House of Lords should have no information on such a subject. I hope your Lordships will acquit Mr. Pitt of doing anything at all unconstitutional, and I am sure he was not a man who would be likely to pander to public opinion. Mr. Pitt was Chancellor of the Exchequer at that time and knew his position well; he represented the Conservative Party in the State, and he gave that opinion as a man who well knew what he was doing. Certainly he was one who revered the Constitution.

The Appeal from the Crown for Supply is to the Commons alone.

I will pause for a moment to ask you to consider what is the matter we are dealing with. The words "Money Bill" are sometimes used, I think, rather inconsiderately. Lord Palmerston in 1860 apparently applied them to all Bills in which taxation was imposed. That is not the kind of Bill we are dealing with. We are dealing with the Budget Bill which grants supply for the service of the State during the year. Your Lordships will bear in mind that that grant is given in response to an appeal from the Crown, not to us. "Gentlemen of the House of Commons, I ask you to give me aid and supply." It is to them and to them alone the request is made. There is no appeal whatever made to the House of Lords. Then at the end of the Session when the Prorogation takes place thanks have to be given to someone, and although your Lordships have gone through the form of assenting to the Finance Bill no thanks are ever given to us. Again it is:—

"Gentlemen of the House of Commons, I have to thank you for the generous Supply you have given to me."

There is nothing within the Constitution showing that thanks ought to be given to the House of Lords for that supply. My Lords, the matter is of so much delicacy that I purposely avoid attempting to forecast how the paragraph of thanks will express at the end of the Session the gratitude of the Crown.

A Symbol of the Commons' Control.

Will your Lordships allow me to mention one other fact which may be known to you? The practice is in this House that whenever a Bill is finally read a third time in either House it passes into the custody of the Clerk of Parliaments, it is retained in his hands until the Sovereign, by himself or by Commission, gives assent to it. But in respect of two Bills—the Finance Bill and the Appropriation Bill—the Commons to the knowledge of this House have asserted their privilege and right to deal with such Bills alone. The other House never will trust our officer with those two Bills, and the moment either of them is read a third time in this House someone on behalf of the Commons claims it back, and the Speaker keeps it in his custody or in that of the chief clerk. When the Speaker comes to the bar of this House to hear the Royal Assent he intimates to our officer, the Clerk of the Parliaments, that he has something to give him, and he gives him this Bill. That is for the momentary purpose of the Royal Assent being given to it. My Lords, we have admitted that custom to be a correct one, and how can it be said that we are upon an equality with the other House in relation to those two Bills when our own officer will not be entrusted with them because they are Commons Bills and not House of Lords Bills? You may say it is not a very important matter to have charge of these two pieces of paper which constitute Bills, but it is a symbol of the control which the Commons have over those Bills. That is a point I would ask you not to pass by too lightly until you can find some good reason for this old custom.

The Authority of Lord John Russell.

I am not troubling your Lordships by quoting the numerous declarations upon the constitutional position made by distinguished men; but there is one authority I must quote. I was taught in my earliest political life to regard with the greatest respect as a Whig statesman Lord John Russell, than whom I think it will be admitted there is no one who had greater knowledge of the Constitution and its origin, and greater knowledge of those ingredients of political life that constitute the freedom of the people. Let me refer to what he said in connection with what is called the precedent of 1860. I think there was something in the mind of several of your Lordships who have spoken that the Paper Duties Bill was a precedent in favour of this Amendment, but when you have looked at it I think you will find that it is destructive of any such contention. In the course of the debate which arose upon the Lords throwing out that Bill—not a Budget Bill, not a Supply granted by the Commons in reply to the demand of the Crown, but simply one isolated measure—Lord Palmerston said that the House of Lords could not

deal with the Bill. I prefer, however, to rely upon what Lord John Russell said on that occasion. He said:—

“I must say that for 200 years there is no instance of the House of Lords having exercised such a power as that which is exerted in the present instance. I believe that, according to all former practice of the Constitution, the whole question of granting Supplies belongs to the House of Commons.”

“Utter Confusion to Finance.”

Then he quotes the eloquent words of Lord Chatham and proceeds to make the further statement of his objection to what had occurred. He said that if ever this conflict came between the two Houses, one voting one way and one the other, there would be confusion which could never be overcome and which would be deadly in the interests of the State. These were his words:—

“It is therefore not only true that with regard to all past time ever since our Constitution was a Constitution we have had the power of regulating, but it is true likewise that if we were to part with the power, and the House of Lords were to be admitted, the consequence must be utter confusion to our finance. The remission or imposition of taxation would be in a perpetual state of uncertainty. Each House would endeavour to take off the tax which was most unpopular, thereby to gain for themselves popular credit and applause.”

It is satisfactory for me to say that I am not now placing before you propositions of my own. This comes from one who, I am sure, was as great an authority upon the Constitution as ever lived, and one who was incapable of being influenced by Party motives. I would remind your Lordships that when the Bill of 1860 was thrown out, Mr. Gladstone re-introduced its provisions in the Budget Bill of 1861, and being in the Budget Bill the Lords, who had objected to the Paper Duty Bill, passed that Budget Bill, and did not dare to reject it, because it was a subsidy Bill given in return to the application of the Crown.

The Authority of Mr. Balfour.

There is only one other quotation I am going to make, and I really make it with regret, but I think it is something that will influence your Lordships. I refer to the words of Mr. Balfour in 1907, and I have never read a more explicit declaration than he then made against this power being exercised. I do not care to dwell upon it too much because there may be some explanation of it. He said:—

“We all know that the power of the House of Lords is still further limited by the fact that it cannot touch these Money Bills.”

My right hon. friend then proceeded in very distinct terms to explain why. But, my Lords, I really do not care to dwell very much on such personal statements. I have given your Lordships the opinion and authority of great statesmen which I hope will convince this House that the view I put forward is correct.

Why have the Lords never fulfilled the "Duty" of Rejection before?

There is one other matter to which I wish to call your attention. Long usage has shown the impossibility of your Lordships exercising this power of rejecting a Money Bill. It has never been done. Now, my Lords, you claim the actual right to reject this Bill. If this rejection is within your competence it has been for centuries equally within your duty. If Supply Bills were bad they ought to have been rejected according to all the arguments we hear now in support of this Amendment. If it was not only our right, but our duty, as we are told, for the sake of the public, to have rejected such Bills if they were bad, why is it that our duty for centuries has never been fulfilled? Is not the alternative either that such constitutional duty did not exist or that we have neglected to do what we ought to have done in the interest of the State? I am happily relieved from expressing any opinion on the contents of the Bill, but my silence must not be taken as indicating that I am in favour of some or all its provisions. In Committee if I were in the House of Commons I would have supported Amendments, but that is not the question. I say this House is estopped from acting because of insufficient power.

The Lords have Nothing to do with the Estimates.

What do the House of Commons base their Budget Bills upon? They base them upon Estimates. They estimate what is wanted and they get information as to what is required for the State service from the various public Departments. What power has this House to form any estimate? We can get no estimate, and we should not have the slightest idea what to budget for, or whether it was right for the Chancellor of the Exchequer to ask for sixteen millions or 160 millions. If you were to say to that gentleman of whom so much has been said, the Chancellor of the Exchequer, that you have no power to estimate, and ask for information, what answer would you get? The same answer that Pitt gave, that you have nothing to do with Estimates.

The Excuse that it is an "Exceptional" Budget.

Now, whilst all this, I think, places us in a position of great difficulty, it is sought to escape from the difficulty by saying that this is an exceptional Budget, and that it is exceptional in the sense that it contains so many different subjects. I should like to know what that means. I think it was my noble and learned friend Lord Halsbury who said that it contains so many multifarious subjects. I do not think he expressed himself quite correctly, because many taxes are rightly put in, and that would in one sense be multifariousness. What I think he meant to say was that if a Money Bill contained other matters beyond finance—foreign, alien matter—that would be a ground for throwing out the Bill. I entirely concur. If you introduce into a Money Bill foreign matter such as, say, the ballot, or if you shot into it an enactment

about the deceased wife's sister, of course this House would have a perfect right to take exception to such a Bill. All this introduction of alien matter is represented by one word—it is “tacking.” If I am asked is there “tacking” in this Bill, I should say there was not; but the question becomes immaterial. If there is “tacking” in this Bill, the duty of this House is complete. It would semi-judicially determine this “tacking,” and we should reject the Bill because it is an insult and a fraud upon this House, and rightly say “Take your Bill away.”

The Question of “Tacking” does not arise.

But that question does not arise. You are not rejecting this Bill on the ground of tacking. It is whispered throughout the Lobby that this is not rejection at all. But if you postpone a Bill for three or six months or even until a General Election takes place, it is equally a rejection of the Bill. The noble Marquess the Leader of the Opposition, in his Amendment which remits to the electors the decision upon the Bill, does not I am sure for a moment intend to leave to them the decision of whether this Bill contains tacking or not. That could not be, because the electorate has no knowledge of Parliamentary history or Parliamentary practice. It must be a question for us. I am sure the noble Marquess will agree that what he seeks by his Amendment is to leave to the electorate the policy of this measure, because he cannot give to them the power to determine whether tacking vitiates this Bill. Therefore we come back to the pure simple question—because a majority of this House does not like the provisions of this Bill, is it within its competence to reject it?

The Lords will be the Worse for taking an Unconstitutional Step.

During the struggle that is coming upon us, there will be many students, many readers who will read out aloud to audiences that the balance, and the conclusive balance, of authority is that there is no competency in this House. I can assure the noble Marquess, and he knows, that it is in no spirit of hostility that I quote his words. My noble friend said: “I would venture to ask, shall we stand better or worse when the struggle comes if we shirk our responsibility now?” I ask him to consider, if it be right that this is outside competency and that this is an unconstitutional act, shall we not be very much the worse for taking that unconstitutional step? What a power we are giving to our opponents! We all know the power of any Party rallied together, bound together by a common cause, with all their differences composed because they have got a great overwhelming cause. What will they be saying of us throughout the land in consequence of this action? It is nothing to say, “If it is right to do it, we should do it and never mind the consequences.” The first question is to find out whether you have got the power to do right, and if you have not, then wrong will come prominently against this House.

A One-sided Contest.

Let me repeat that the contest which is coming will be a one-sided contest. In the conflict that is going to take place, none of your Lordships will be able to take a share, not one of your Lordships will be able to defend the course that you have taken, not one of your Lordships will be able to say that you have been acting, in your belief, within the Constitution. You will be at the mercy of your opponents, and at the mercy of men who will not spare you. I do not know how Unionist members of the House of Commons are going to take this decision of your Lordships' House. You are making every one of them ride a race with a good deal of extra weight up. You are making for them hostile audiences.

Lord James's Experience in 1884.

I should like to bear testimony myself on that point. There is a certain class of practical sportsmen who are said to make the very best gamekeepers. I can tell you something about agitation against the House of Lords. The House of Lords in 1884 threw out the Franchise Bill. That was, of course, within their power. But the Liberal Party resented the exercise of it, and I was told off in very good company—the late John Bright and the late Duke of Devonshire—to do what we could in Lancashire. I can assure your Lordships that it is very easy work to howl against this House. The House of Lords was overruling, as we told our audiences, their representatives, overruling the representatives whom they had elected. Then, of course, we told them about 500 or 600 persons being supreme. We did as we liked with our audience. We took every wicket, although some of our bowling was not very strong. This assertion of the exclusive right of the Commons to deal with finance will now be added to the previous attack on your Lordships' House.

“Appalled at the Prospect.”

I, my Lords, am devoted to the principle of a double Chamber, and, as I desire to see the fortunes of the Unionist Party supreme, I am appalled at the prospect we wilfully and intentionally are raising against that principle. Such are my convictions. They are those, perhaps, of a Party man in one sense, for I am an old Whig, and I have never forgotten the principles of that old Whiggism which, I believe, represent liberty in this land. I have followed many leaders. I am sorry that, to-night, I am parting somewhat, for this purpose only, from my noble friend, Lord Lansdowne. I have no right to speak with any personal knowledge as to what Lord Salisbury would have said if he had been in charge of this crisis. But we have his public statements, and I think that if that most sagacious, most patriotic of men was here to-night he would not give approval to this Amendment. I need scarcely tell your Lordships what Mr. Gladstone would have said. His valedictory words in 1894 told us his views upon the action of this House. I had one other leader whose memory is yet fresh

in my mind, a leader whom no man in this country could do other than regard, and who to his dying day retained those old principles of Whiggism which had been the principles of his house. He never would have been, I verily believe, a party to this course. My Lords, I am no deserter. I am no deserter from any principle that I have ever thought ought to guide the public mind, and I do not believe that even the noble Marquess will regard me as a personal deserter from him to-night.

I Will Take no Path but that of the Constitution.

Such being the views I entertain strongly, I have the courage of them, and I now ask myself what is the course that ought to be taken in order to emphasise the opinions I hold. I have surveyed those two roads which my noble friend, Lord Balfour of Burleigh, so invitingly traced out before us, and I am not disposed to follow them. And, much as I appreciate the fascination of Lord Balfour's society, I shrink from going into the woods with him. As I say, I have the courage of my opinions, and therefore it is that I will not take for myself any path but that of the Constitution, which will lead, I believe, if it is followed, to securing the stability and safety of this House, and will increase the power of the Unionist Party in the country.

THE
LORDS' BREACH OF
THE CONSTITUTION.

A SPEECH

DELIVERED BY

THE RIGHT HON.

H. H. ASQUITH, M.P.

(PRIME MINISTER),

In the HOUSE OF COMMONS

On December 2nd, 1909, in moving—

"That the action of the House of Lords in refusing to pass into law the financial provision made by this House for the service of the year is a breach of the Constitution and a usurpation of the rights of the Commons."

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PRICE ONE PENNY.

THE LORDS' BREACH OF THE CONSTITUTION.

MR. ASQUITH, *in moving, in the House of Commons on December 2nd, 1909, the Resolution of Protest against the rejection of the Finance Bill by the House of Lords, said*:—We are met here this afternoon under circumstances which are unexampled in the history of the British Parliament. Nearly ten months ago the Sovereign, in a paragraph in the gracious Speech from the Throne, addressed to the House of Commons, and to the House of Commons alone, invited us to make provision for the heavy additional expenditure which is due to the necessities of social reform and of national defence. In a Session which, if not for the actual length of its duration, certainly for the strenuousness of its labours, is, I believe, almost without a rival, we have addressed ourselves to that task. Never in the history of this House have more time and labour—rarely, if ever, have so much time and labour—been given to the construction and to the consideration of any proposal as were given to the Budget of this year. Never, I would add, has the process of deliberation and amendment been more free and untrammelled. Never has more consideration been given to everything that was put forward in the way either of suggestion or of criticism. When a short time ago the Finance Bill received its third reading, and as it left this House, it represented, I believe, in a greater degree than can be said of any measure of our time, the matured, the well-sifted, the deliberate work of an overwhelming majority of the representatives of the people, upon a matter which, by the custom of generations, and by the course of a practically unbroken authority, is the province of this House and of this House alone.

An Indignity the Commons will not Brook.

In the course of a week, or little more than a week, the whole of this fabric has been thrown to the ground. For the first time in English history, the grant of the whole of the Ways and Means for the Supply and Service of the year—a grant made at the request of the Crown to the Crown by the Commons—has been intercepted and nullified by a body which admittedly has not the power to increase or to diminish one single tax, or to propose any substitute or alternative for any one of the taxes. The House of Commons would, in the judgment of his Majesty's Government, be unworthy of its past and of the traditions of which it is the custodian and the trustee if it allowed another day to pass without making it clear that it does not mean to brook the greatest indignity, and I will add the most arrogant usurpation, to which, for more than two centuries, it has been asked to submit.

The Actual Situation Created by the Lords.

Before I come to deal with the terms of the Resolution which I am about to move, I think it is right, and indeed necessary, that I should invite attention for a few moments to the actual situation which has been created by the proceedings of the House of Lords. The Budget Resolutions and the Bill founded upon them authorised some ten or eleven separate and distinct taxes, counting for these purposes the three Land Taxes as one and the Death Duties as one. They are either the renewal of expiring taxes, such as the Tea Duty, or the enhancement of a number of existing duties, such as the Duties on Spirits and Tobacco, the Income Tax, and the Death Duties, or Duties imposed for the first time, such as the Land Taxes. It was pointed out by my right hon. friend the Chancellor of the Exchequer at the time, and it is abundantly proved, that the whole of the proceeds of the whole of these taxes were needed in order to make good the estimated deficit of the year. Not one penny of them can be spared.

The Collection of the Taxes.

Then, moreover, let it be remembered all these taxes, except the Licence Duties, the Stamp Duties, and the Land Taxes, have been collected at the new rates ever since the dates specified in the Resolutions on the assumption, justified if ever any assumption was, that the taxes authorised by Resolution of the House of Commons would be clothed in the same Session by legislative authority. For the first time that assumption has been defeated by the action of the other House. The Session is closing without a Finance Act. The process of compulsory collection of the taxes voted is suddenly arrested, trades affected are thrown into temporary confusion and embarrassment, and, until fresh Parliamentary provision can be made, the necessities of the State which this taxation was designed to meet, can only be fully supplied by resorting to the borrowing powers conferred by the Appropriation Act.

The "Sole and Undivided Responsibility" of the Lords.

I am not in a position to give any precise figures to-day. I hope that what I may call the ultimate and irrecoverable loss to the State may not be very great, but so far as the present financial year is concerned, it is obvious, whatever course is adopted, that the result of the action of the House of Lords must be to create a very large deficit, a deficit swollen by the cost of the borrowing operations, which otherwise would not have been necessary. I think it is fair, at any rate it is charitable, to assume that not one in ten of the 350 gentlemen, who, the other night, threw over the finance of the year, realised the actual mischief which they were doing. But they acted, or ought to have acted, with their eyes open. More than two months ago, speaking at Birmingham—the ground having already been carefully surveyed by the officers of the Government—I pur-

posely referred to this topic. I did not, indeed, then entertain except as a bare possibility, the hypothesis of the adoption by the ostensibly responsible Leaders of the party of the desperate counsels which have since, unhappily, prevailed. But I did think it right, when there was already vague talk and gossip about the possible rejection of the Budget, on that occasion to indicate in general terms the nature and extent of the confusion which would result, in language not of menace, but of warning. That warning has been unheeded, and the consequence is that there lies to-day on the shoulders of the House of Lords the sole and undivided responsibility for the embarrassment, the confusion, the administrative and political chaos, the loss to the Revenue, and the increased indebtedness of the country. The situation is not of our creating. But it is our duty, although it is not of our creating, to do what we can, without any infringement of the law or of constitutional principle, to mitigate its hardships and its inconveniences.

Two Tory Suggestions.

I may be pardoned—perhaps it is not altogether relevant, or indeed relevant at all to this Motion—I may be pardoned if, in passing, I refer at this point to two suggestions which have been made, proceeding from very opposite quarters, and both of them I think, for obvious but very different reasons, untenable. The first is that the Executive should continue to demand and enforce the new taxes sanctioned by Resolution notwithstanding the prorogation of Parliament. It is frankly admitted by those who put that suggestion forward that it is a revolutionary proposal. It would certainly bring anyone who adopted it into rapid collision with the courts of law, and it does not commend itself to the judgment of his Majesty's Government. The second suggestion, which, as I say, has proceeded from a very different quarter, is that here and now, before the present Session closes, the Government should bring in a new Budget and submit it for approval or rejection to the House of Lords.

What is the Suggested New Budget to Contain?

Well, I ask first of all, what is this suggested new Budget to contain? Are we going to enter upon an inquiry—a very laborious and lengthy process it would be—as to the different degrees of objectionableness of our various taxes to the different minds of the 350 gentlemen who the other night disposed *en bloc* of the whole financial arrangements of the year? I have not studied the debates as carefully as some people seem to have done, but from such cursory perusal as I have had the opportunity of making I came to the conclusion that there was not a single one of our proposed new taxes, except perhaps the Duty on Motor Spirit, in which the keen scent of one or another of the Tory spokesmen could not detect the fatal and poisonous taint of Socialism.

A "Pretty Pass" for the Commons.

But our objection—the objection of those who sit on this Bench—to any such proposal does not arise, and very certainly is not confined to the difficulty of carrying it out: it goes very much deeper down. It would be a pretty pass indeed for the House of Commons if, after having for the first time been offered by the other House the indignity of the summary rejection of the whole of the financial arrangements of the year, it were then to stoop spontaneously to the humiliation of presenting to the same House, for its criticism and sanction, an amended Budget, pruned and trimmed and refurbished to suit its scruples and to meet its tastes.

The Lords' Offer of Co-operation.

I see that Lord Lansdowne, and I think Lord Cawdor, were gracious enough to offer us, in anticipation of the performance of this task, their loyal co-operation. What they say, in effect, is this: "We do not like your first Budget, the one on which you spent some six months of your time. It had rather too Socialistic a flavour for us, and so, after a week's tournament of oratory, we have thrown it upon the rubbish heap. We—though some of our so-called followers do not—we know the state of chaos and confusion which our action, if something is not done, must immediately lead to, and that, for many reasons, we shall be glad to avoid; and we say you gentlemen of the House of Commons will be good enough in the month of December, in order to get us and the country out of the mess which we have deliberately created, you will be good enough, if you please, to dish up something that we can stomach, and we can assure you that you will find that we have, in the circumstances, quite an easy and accommodating palate." No Minister who ventured to make such a proposal to the House of Commons would deserve, and certainly no Minister would retain for five minutes, the confidence of this Assembly. It would be, in fact, a recognition of the right of the House of Lords not only to reject, but also to amend the financial arrangements of the year.

The Only Course—Dissolution.

I dismiss these impossible suggestions, and I come to the course—the only course—which, in the circumstances, it is open to the Government, without either breaking the law or sacrificing constitutional principle, to pursue. That course is to advise, as we have advised the Crown, to dissolve this Parliament at the earliest possible moment. His Majesty has been graciously pleased to accept that advice, and the result, I trust, will be that the new House of Commons will assemble at such time as to make it possible for it to provide, both retrospectively and prospectively, for the needs of the current financial year. If we are fortunate enough to enjoy its confidence, its first act will be to reimpose, as from this week, all taxes and duties which were embodied in the Finance Bill, and to validate all past collections and deductions. In the meantime, all persons desiring to do so may deposit with the proper officers the appropriate duty at the rate so sanctioned, and full instructions and

information will forthwith be issued by the Departments concerned. The House will pardon me for interposing that brief reference to the practical situation, because I have not thought it irrelevant to the Motion, and it certainly is of interest and importance.

“In Vindication of the First Principles of the Constitution.”

But I go on now to say that the purpose of my Motion to-day is not to complain of the financial and administrative hardship which the House of Lords has so heedlessly inflicted upon us; still less is it to defend, as against the criticisms of noble Lords in another place, the principles and methods of the Budget. That is, in our view, a matter for this House, and for this House alone, to decide. No; mine is a totally different purpose. It is to ask the House, in vindication of the first principles of the Constitution, and in assertion of its own immemorial rights, to enter a prompt and solemn protest against the whole proceeding.

Our Unwritten Constitution.

We live in this country, and we have lived for centuries past, under an unwritten Constitution, although some signs in the sky would seem to portend that that happy state of things is not likely long to last. It is, of course, true that we have upon the Statute book great instruments like Magna Charta itself, the Petition of Rights and the Bill of Rights, which define and secure many of our rights and privileges; but the great bulk of our constitutional liberties—and, I would add, of our constitutional practices—do not derive their validity and sanction from any Bill which has received the formal assent of King, Lords, and Commons. They rest upon usage, upon custom, upon convention—often of slow growth, in their early stages, not always uniform, but which in the course of time have received universal observance and respect; and let me point out further, it is an essential incident of such an unwritten Constitution that there should be powers which are legal powers—legal powers in the sense that their exercise cannot be questioned in any court of law, yet which, in the course of time, and by the effect of such usages as I have described, first of all came to be fitfully and intermittently used, and finally in the progress of our development became dormant, moribund, and for all practical purposes dead.

The Veto of the Crown.

A familiar illustration of this, well known to everybody, is the Veto of the Crown. There is nothing whatever to prevent me or any other Minister from advising his Majesty to-morrow to refuse his assent to a Bill which has passed through both the House of Commons and the House of Lords; and, if his Majesty were to take that advice, and so refuse his assent, that Bill could not take its place on the Statute Book, and would not have its effect in law. I think, however, the Minister who gave that advice would deserve to be impeached, although, in point of law, the right of the Crown

to veto a Bill is just as unquestionable to-day as it was in the time of Queen Elizabeth. But 200 years of desuetude and contrary practice have made it a legal right not constitutionally exercised or followed now.

The "Pedantry" that "Made and Saved the Liberties of England."

I saw a speech the other day—I think by the Member for East Worcestershire (*Mr. Austen Chamberlain*)—in which he derided the distinction which my Noble and learned Friend the Lord Chancellor had drawn between that which is legal and that which is constitutional, and said that the antiquarianism and the pedantry of lawyers left him quite cold. It was pedantry of this kind—the pedantry which realises and dwells upon the distinction between the genius and the spirit of our Constitution on the one side, and the bare and barren letter of the law upon the other—it was pedantry of this kind which made and saved the liberties of England. It was pedants, like Pym and Selden and Somers, who rescued this House largely through the power of the purse from the domination of the Crown. We need not be ashamed to be called by the same name and to bear the same reproach if, acting in the same spirit and using largely the same weapons, we put an end to the usurpations of the House of Lords.

"A Breach of the Constitution."

Tried by the test which I have been endeavouring to describe—the test of usage, the test of convention, the test of unbroken understanding, does not the recent action of the House of Lords in rejecting the Finance Bill deserve the description which I have given to it in my Resolution? Is it not a breach of the Constitution? No one will deny that the House of Lords has a technical right to reject a Finance Bill or any other Bill. I certainly am not in the least concerned to deny that there have been cases in the old days in which this House has acquiesced, though rarely without protest, not only in the rejection, but in the amendment of Bills which were concerned with the taxation of the country. For the most part these cases were trivial, and even trumpery in their character; but ever since 1628—I do not need to go further back than that to establish constitutional usage—when by the advice of the greatest lawyers of that day the mention of the Lords was deliberately omitted from the granting words in the preamble of Supply Bills, this House has asserted, with ever-growing emphasis, its own exclusive right to determine the taxation and the expenditure of the country. The demand, as I pointed out already, in the speech from the Throne for Supply, is made every year by the Crown to the Commons, and to the Commons alone, and the answer to that demand comes from the Commons, and from the Commons alone.

The Authority of William Pitt.

I will not weary the House by citing authorities; but I will quote the words of one who is entitled to rank among the greatest of all

of them—a man who earned for himself by his services to this House and to his country in his day the title of the great Commoner—the first William Pitt. He stated in words which have become classic:—

“Taxes are a voluntary grant and gift of the Commons alone, and the concurrence of the Crown and the Peers to a tax is only necessary to clothe it with the form of law.”

That exactly stated the case as it was then, and as, 130 years afterwards, it remains to-day.

The Case of the Paper Duty in 1860.

Within the practice of our own time there is one case, and one only, in which the House of Lords has ever attempted to interfere with the financial functions of this House. That is the familiar case of the Paper Duty in 1860, where, the House of Commons having sanctioned the repeal of the tax, the House of Lords refused to give its assent to the repeal. The Commons took swift and summary vengeance. In the following year they passed the same tax, in company with a number of others, as part of the general financial arrangements of the year, and the House of Lords acquiesced, and from that day to this has never attempted again to question the sole and exclusive competence of this House in matters of supply. That was the case of a single tax. Such a step has now been taken that the whole finance of the year, some ten or eleven taxes, are rejected *en bloc* without the faintest shadow of a precedent in the whole course of our Parliamentary history.

Mr. Balfour as Witness Against the Lords.

A year ago, indeed, I may say, until about six weeks ago, whatever expressions may have been used from time to time by one statesman or another as to the technical and legal rights of the House of Lords, what I have been saying during the last ten minutes would have been looked upon as a truism. It would have been universally admitted as a correct and entirely unexaggerated statement of our constitutional practice. I need not go further back in support of that proposition than two years ago, in the month of June, 1907. In that month my predecessor, Sir Henry Campbell-Bannerman, proposed, and this House carried, a Resolution in favour of limiting the veto of the House of Lords in legislation, a Resolution which remains recorded in our journals, which it is quite unnecessary at this moment to reaffirm. But in the course of that debate not even the most tenacious stickler for the extremest view of the privileges of the House of Lords claimed, and not the most uncompromising critic of the House of Lords thought it necessary to deny, the alleged right which is now put forward. I am quite content to take upon that point the statement of the right hon. gentleman, the Leader of the Opposition. I will read his words, because no language more germane to the topic which we are considering to-day could possibly be cited from any speech which has

been delivered in our time. The right hon. Gentleman said this on June 24th, 1907:—

“We all know that the power of the House of Lords”—

He speaks of some limitations which are not material—

“is still further limited by the fact that it cannot touch those Money Bills, which, if it could deal with, no doubt it could bring the whole executive machinery of the country to a standstill.”

What you cannot “Touch” you cannot Kill.

I pause here to make two observations. I assume that if you cannot touch a thing you cannot kill it. That is my first observation, and the second is that the right hon. Gentleman showed, as might be expected of him with his large administrative experience, what would be the result of the House of Lords touching a Money Bill, if it were so ill-advised as to do so, that it would bring the whole executive machinery of the country to a standstill.

The two Chambers “not of equal power.”

How does the right hon. gentleman go on?

“The conclusion which I want to press upon the House, and which is all important in this matter, is that under our existing system you have two Chambers, which are not of equal power, which are not of equal authority, which cannot come into serious conflict in the whole field of administration, in the whole field of the initiation of legislation, or in the whole field of that legislation which deals with finance.”

As the result of our constitutional usage the House of Lords was in a position of admitted, if you like, inferiority, or, if you like, limitation or incapacity, with regard to certain matters of which finance is one, which made it impossible to come into serious collision with the House of Commons. In other words, in regard to such matters as that, the will of the House of Commons must, according to constitutional practice, be supreme. I do not want any higher testimony than that. Of course, we shall be interested to learn how, if at all, and for what reasons, the right hon. gentleman has contradicted the view which only two years ago he authoritatively expressed.

The Allegation of “Tacking.”

I am not going to discuss in reference to this unprecedented act the merits of the Finance Bill with the House of Lords, but I think it is only right and fair before I bring my case to a conclusion that I should examine such justifications as have been put forward for the action which has been taken. In the first place, I have seen it suggested, with, I think, increasing faintness of conviction, that this Bill was not a Finance Bill at all, and that, therefore, the constitutional rule does not apply. That, of course, is one of the most absurd contentions which has ever been advanced by a barren controversialist. Here is a Bill of nearly 100 clauses, which imposed ten or eleven different sets of taxes. I will undertake to say there was not a single clause which was not relevant to its primary and

governing purpose, namely, the raising of revenue. The only object ever suggested in a contrary sense is the somewhat elaborate provisions which were made for valuation; and in regard to that I may point out again, what has often been pointed out before, that if you are imposing a new set of taxes upon a new taxable subject you will be guilty of, at any rate, unbusinesslike conduct if you did not provide adequate machinery for assessment and collection, and my right hon. friend in this respect was only following the precedent set up by Sir Robert Peel in 1842 in the Income Tax Act, by Mr. Gladstone in 1853 in the Succession Duty Act, and by Sir William Harcourt in the Finance Act of 1894.

The “Entirely Novel” Claims of the Lords.

But there is another reason which is put forward by way of justification which I think demands rather fuller scrutiny. The House of Lords, or their apologists, tell us that they have not rejected this Bill. All they have done is to refer it to the people. I want to examine this doctrine of the power or the duty of the House of Lords to refer certain sorts of Bills to the people a little more closely than has been done, at any rate in this House. What does it amount to? Hitherto, when any Government has received the assent of the House of Commons to its financial resolutions, it has been assumed on all hands that in substance they would pass into law. Taxes have been paid, received, collected, even demanded, on the strength of these Resolutions. What would be the case if this precedent of a reference of the Finance Bill to the people is once adopted and acted upon? No Government will be safe—when I say no Government, of course I mean no Liberal Government—in following what has hitherto been the universal practice. Of course, it cannot tell whether the House of Lords may not, late on in the summer, or even as this year late in the autumn, be minded at the last moment to refer the whole of these taxes to the people. When you come to analyse it it means that the House of Lords will have the power to compel the executive of the day to adopt one of three courses, firstly, to submit a new Budget to the House of Lords to meet with their approval; secondly, to send up again, and perhaps time after time, their old Budget, with no provision in the meantime, or no adequate provision for the financial necessities of the State; or, finally, to advise the Crown to dissolve Parliament. These are entirely novel claims, and they ought not to be allowed to pass without clear, emphatic, and immediate protest.

“This New-fangled Cæsarism.”

On what are they founded? They are founded, as I say, on what I believe to be an entirely novel assumption that the House of Lords has the right, if it does not like a Bill, to compel a reference to the electorate. I assert, on the contrary, two very simple proposi-

tions. The first is that the presumption always is that the House of Commons, freely chosen by the people, represents the will of the people; and the second is that there is no presumption of any sort or kind as regards the House of Lords. I would say, parenthetically, I am quite willing and anxious, so far as the House of Commons is concerned, that that presumption should be strengthened and reinforced by shortening the duration of Parliament, and therefore, by a more frequent contact between the elected body and the electorate; but this new-fangled Cæsarism which converts the House of Lords into a kind of plebiscitary organ is one of the quaintest inventions of our time. Let us see what it is. I will try to put the theory as plausibly as I can against myself. The theory is that the people require to be protected against their own elected representatives, especially—may I not say exclusively?—when the majority of those representatives happen to belong to the Liberal Party. By whom is the protection to be afforded? In what quarter is it to be found? Here the theory goes on that Providence, as in so many other ways, has been exceptionally kind. It has supplied us with exactly the kind of thing we want for the purpose by an unforeseen and unforeseeable evolution in our ancient House of Lords.

The Lords' "Instinct of Divination."

It is true that at first sight the uninstructed observer of an Assembly, which is composed in the proportion, I suppose, of somewhere between twenty and ten to one of members of a single political party, might not seem to be pre-eminently qualified to exercise a judicial or quasi-judicial function; but here again Providence steps in, and it would seem that either at birth, or, as the case may be, upon creation of a peer, who receives a patent of peerage, there descends upon the favoured individual what I may call a kind of instinct of divination which enables him at all times thereafter to discern to a nicety, provided always that a Liberal Government is in power, the occasions and the matters in regard to which the people's representatives are betraying the people's trust. We are sometimes told by sceptical people that the age of miracles is past. If the theory which I have just been endeavouring—I hope without exaggeration—to enunciate is anything like true, then the whole British Constitution depends on the offchance of a succession of miraculous events.

"The Hollowest Outcry of Political Cant."

The truth is that all this talk about the duty or the right of the House of Lords to refer measures to the people is, in the light of our practical and actual experience, the hollowest outcry of political cant. We never hear of it, as I pointed out, when a Tory Government is in power. It is never suggested when measures are thrust by a Tory majority by the aid of the guillotine and the Closure, and all the rest of it, through this House—measures which, unlike every

one of the governing provisions of the Budget of the present year, have never been approved or even submitted to the electorate. It is simply a thin rhetorical veneer, by which it is sought to gloss over the partisan, and in this case the unconstitutional, action of a purely partisan Chamber. The sum and substance of the matter is that the House of Lords rejected the Finance Bill last Tuesday, not because they love the people, but because they hate the Budget.

The Real Question.

This Motion, which I am now about to propose is confined in terms to the new and unprecedented claim made by the House of Lords to interfere with finance. But I am sure, in fact I know, I am speaking the mind of my colleagues, and, I believe, of the great bulk of those who are sitting on this side of the House, when I say that it represents a stage—a momentous and, perhaps, a decisive stage—in a protracted controversy which is drawing to a close. The real question which emerges from the political struggles in this country for the last thirty years is not whether you will have a single or a double chamber system of government, but whether when the Tory Party is in power the House of Commons shall be omnipotent, and whether when the Liberal Party is in power the House of Lords shall be omnipotent.

“A System of False Balances and Loaded Dice.”

We are living under a system of false balances and loaded dice. When the democracy votes Tory we are submitted to the uncontrolled domination of a single Chamber. When the democracy votes Liberal, a dormant Second Chamber wakes up from its slumbers and is able to frustrate and nullify our efforts, as it did with regard to education, as it did with regard to licensing, as it has done again this year with regard to measures for Scotland, and with regard to finance. I cannot exhaust the list; it would be too long. They proceed to frustrate and nullify the clearest and most plainly-expressed intention of the elective House.

Representative Government at Stake.

The House of Lords have deliberately chosen their ground. They have elected to set at nought in regard to finance the unwritten and time-honoured conventions of our Constitution. In so doing, whether they foresaw it or not, they have opened out a wider and a more far-reaching issue. We have not provoked the challenge, but we welcome it. We believe that the first principles of representative government, as embodied in our slow and ordered but ever-broadening constitutional development, are at stake, and we ask the House of Commons by this Resolution to-day, as at the earliest possible moment we shall ask the constituencies of the country, to declare that the organ, the voice of the free people of this country, is to be found in the elective representatives of the nation.

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H. H. ASQUITH, M.P.

PRIME MINISTER,

IN THE ALBERT HALL,

On DECEMBER 10th, 1909.

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THE THREE CAPITAL ISSUES.

Mr. Dickinson, my Lords, and Gentlemen,—I thank you, in not merely formal words, but from the bottom of my heart, for this most moving and stimulating greeting. The position which I have for the time being the honour to hold as head of his Majesty's Government, and the chosen leader of a great political party, is a position as beset with anxieties and responsibilities as can fall to the lot of man. It is a position which no one can usefully or honourably fill unless, on the one hand, he enjoys in full measure the confidence of his colleagues and followers, and unless, on the other hand, the policy of the Government over which he presides is a policy which is not forced upon him against his better judgment, or in which he reluctantly and grudgingly acquiesces, but is one to which he can give sincere and whole-hearted approval. Leadership without authority and without loyalty is the emptiest and the least enviable of baubles. But so long as the two conditions which I have just named are satisfied—as I am glad and grateful to acknowledge they have been in my case—a man is sustained against the pressure of infinite and unceasing care by the sense that there is no better employment for human effort than the concerted pursuit of great purposes for the common good.

The House of Commons of 1906-9.

As the chairman has reminded us, four years ago, when a new Liberal Government had been but a few days in power, my ever-lamented predecessor, standing in this place, outlined its intended policy. So far as that policy could be carried into effect by administrative and executive action, as, for instance, in the building up of free government in the recently conquered colonies in South Africa, I may claim that the highest anticipations which he aroused have been more than satisfied. But the bulk of those reforms which he described could only be achieved by changes in the law, and the law in this country can only be altered in one way, and that is by the conjoint will of a composite body which we call Parliament. The

House of Commons of 1906 was not then born. To-night its days are numbered, and its work is done. No legislative assembly in our history has ever laboured with greater assiduity or, so far as the majority are concerned, with more unity and singleness of purpose to discharge the trust committed to it by the people and to clothe in legislative form the expectations held out to the electorate. It is true that, apart from a mass of useful but uncontentious measures, a few of these have, in an expressive phrase used the other day by Lord Lansdowne, a few of them have been "allowed to pass."

The Old Age Pensions Act.

The list—a very slender one—of these favourites of Parliamentary fortune includes one item, the Act for the establishment of old age pensions, which we deliberately kept out of the electoral programme of 1906 because we were not disposed to promise that which we did not see our way to perform. Well, it was allowed to pass, amid a chorus of objurgation, and with an attempt, which happily proved futile, to limit its operation by time. We are now assured—and I accept and emphasise the assurance—that it has become a permanent and indestructible part of our social legislation. A House of Commons which secured this honourable provision for necessitous old age is a House of Commons which has not lived in vain.

The Lords and the Liberal Programme of 1906.

But what of the tasks to which by far the greater part of its working hours has been devoted? The Session of 1906 was given in the main to education; the Session of 1908 in the main to licensing; the Session of 1909 almost exclusively to devising the necessary ways and means for national defence and social reform. Lord Lansdowne, as he surveys and thumbs the statute-books of these four years, calculates their weight, and numbers their pages, is suffused with a glow of compulsory self-approval. He is lost in admiring wonder at the moderation of the House of Lords. Yes; but you and I, when we search those volumes, search them in vain for any trace of legislation on the most socially and politically important of the reforms which were set forth in this hall four years ago, which were submitted to and discussed before and approved by a vast majority of the electors, which the representatives of the people came to Westminster pledged to accomplish, and which during four years that new House of Commons strove laboriously and faithfully to carry into law. So far as these things are concerned the electors in 1906 might just as well have spared themselves the trouble of going to the poll. And why? Another body that is subject neither to election nor to dissolution stood in the way. The toil and care of the people's representatives were nullified, and now, as a fitting climax to this work of destruction, the supplies granted by the Commons are stopped on their way to the Crown.

The "Single Task" of the Liberal Party.

And so we are here to-night on the eve of another dissolution, and it falls to my lot to take up the tale. Last time we reckoned without our host. We are not going to make that mistake again. I tell you in the name and on behalf of the Liberal Party that we have at this moment laid upon us a single task, a task which dominates and transcends, because it embraces and involves, every great and beneficent social and political change upon which our hearts are set. That task is to vindicate and to establish upon an unshakable foundation the principle of representative government. Do not let me be misunderstood. No one is asked to abandon or lay aside the causes for which he has been fighting. On the contrary, there is not one of those causes whose fortunes will not be found to hang upon this.

Education, Licensing, and Electoral Reform.

Let me, without attempting anything like an exhaustive catalogue, take a few capital illustrations. Take, first of all, the cause of national education in England and Wales. We stand now where we stood four years ago. The anomalies and injustices created by the Act of 1902 have still to be set right. We have to secure by statute access for every child to a school which is under the complete control of a popularly elected authority and in which the office of teacher is not fenced about by any sectarian tests. Provided that that right is established—and, mark my words, made universally available—we shall be ready, as we have shown ourselves ready before, to deal liberally with the question of minorities in populous areas. With regard to licensing we stand by the main and governing principles of our Bill of last year. Our franchise law is still encumbered by artificial distinctions and impediments for which there is no justification in principle or in policy. Some of the most crying of them we have in this Parliament attempted to set right by the Plural Voting Bill and the London Elections Bill. You know what was their fate and how it was brought about.

Woman Suffrage.

Let me say a word here upon the relevant but much-vexed topic of woman suffrage. My own views on that matter are, I believe, tolerably well known, and I have seen nothing in the course of the last four years which has induced me to modify them. This is a question upon which there has been, and I suppose there always will be, a diversity of opinion in both parties, with which it is peculiarly difficult for any Government to deal. Nearly two years ago I declared on behalf of the present Government in the event, which we then contemplated, of our bringing in a Reform Bill we should make the insertion of a suffragist amendment an open question for the House of Commons to decide. Through no intention

and through no fault of ours that opportunity for raising the matter has been taken away. Our friends and fellow-workers of the Women's Liberal Federation have asked me to say that my declaration survives the expiring Parliament, and holds good in its successor, and that their cause, so far as the Government is concerned, shall be no worse off in the new Parliament than it would have been in the old. I have no hesitation in acceding to that request. The Government—notwithstanding the deplorable and suicidal excesses of a small section of the advocates of change—the Government has no disposition or desire to burke this question. It is clearly one upon which the new House of Commons ought to be given the opportunity of expressing its views.

Welsh and Scotch Measures

If we look now for a moment to regions further afield the long-delayed claim of the Welsh people for complete religious equality in the Principality will, I believe, be put forward at this election with as much energy of conviction as ever before, and with as strong a proof that it represents a real national demand. There is, as Wales knows well, one obstacle and one only to its realisation. The people of Scotland, again, who have a first call upon my personal interest and sympathy, have suffered more during the present Parliament from the direct action of the House of Lords than any other part of the United Kingdom. Their Land Bill, their Valuation Bill, and, on the very last day of the last session, their House Letting Bill—all sanctioned by the House of Commons—were each in turn done to death because, forsooth, Lord Camperdown and his friends think they know so much better than the elected representatives of Scotland what are the wishes and opinions of the Scottish people.

Irish Questions.

Ireland, on the other hand, from a legislative point of view, may be said by comparison to have been for once in a way fortunate, largely because the measures sent up did not come violently athwart the prejudices and special interests which prevail in the Upper House. The University question, which has baffled British statesmen for the lifetime of a generation, has been settled by Mr. Birrell on national lines. The improvident finance of the Land Act of 1903 has been corrected and supplemented, and a real effort has been set on foot to deal with the social and economic dangers of congestion. Nor is there any part of the United Kingdom which has benefited in so large a degree as Ireland by the grant of Old Age Pensions. But is there any man in this crowded hall who is credulous enough to suppose that these measures, singly or in combination, or a succession of similar measures, have struck or can strike at the root causes of Irish discontent? Speaking on behalf of the Government in March of last year, a week before my accession to the office of Prime Minister, I described Ireland as the one undeniable failure of British

statesmanship. I repeat here to-night what I said then, speaking on behalf of my colleagues, and, I believe, of my party, that the solution of the problem can be found only in one way—by a policy which, while explicitly safeguarding the supreme and indefeasible authority of the Imperial Parliament, will set up in Ireland a system of full self-government in regard to purely Irish affairs. There is not, and there cannot be, any question of separation. There is not, and there cannot be, any question of rival or competing supremacies. But subject to these conditions, that is the Liberal policy. For reasons which I believe to have been adequate the present Parliament was disabled in advance from proposing any such solution, but in the new House of Commons the hands of a Liberal Government and of a Liberal majority will in this matter be entirely free.

The Liberal Programme of Social Reform.

I must not close this brief review—and it is all relevant to the purpose for which we are assembled to-night—of our outstanding problems without referring to that which is perhaps the greatest of them all. When, last year, after careful preparation in the remissions of the burdens of taxation and in the reduction of our national liabilities, we brought in our scheme of old age pensions, we were avowedly opening only the first chapter in a new volume of social legislation. If we—that is, my colleagues and myself—are to be condemned to political impotence of extinction for a generation, I, for one, shall be fully compensated by the knowledge that, through the action and efforts of our Government, more than half a million of old people, who in their days of activity and strength worked to create and build up the wealth of the nation, not only at this Christmas, but for the rest of their lives, are saved from a choice between want and loss of self-respect. But old age, though it is, perhaps, the most appealing, is, after all, only one of the hazards to which the life of our industrial population is exposed. Sickness, invalidity, unemployment—these are spectres which are always hovering on the horizon of possibility, I might say of certainty, to the industrious workman. We believe that here, also, the time has come for the State to lend a helping hand. That is the secret, or at least one of the secrets, of the Budget of this year. It is described, and rightly described, as a Budget which looked beyond the 31st of next March, and which sought to raise revenue from sources of a growingly productive character. We admit the charge, if charge it be. Yes, it was a Budget which sought by taxes upon the accumulations of the rich and the luxuries of the less well-to-do and by a moderate toll on monopoly values which the community itself has either actively or passively created, to provide the sinews of war for the initiation and the prosecution of what must be a long, a costly social campaign. That was the Budget put forward on the authority of a united Cabinet, passed after months of by no means fruitless discussion by the House of Commons, rejected in a week

and at a single blow by the House of Lords. And that is primarily why we are here to-night.

The New Claim of the Lords a Danger to Liberty.

The immediate, the acutely provoking cause of what is rightly called a constitutional crisis is the entirely new claim put forward by the House of Lords, not only to meddle with, but, in effect, to control and to mould our national finances. Only once within living memory has the Upper House attempted to touch a single tax imposed or repealed by the House of Commons. That attempt recoiled at once upon their heads, and it has never since been renewed. This year, by one stroke, they have taken upon themselves to shatter the whole fabric of the year's taxation. This, I repeat, is a new and entirely unexpected danger to popular liberties. Two years ago it was as undreamt of as would have been, as is to-day, the revival by an arbitrary Minister of the veto of the Crown. In the debate of 1907—not very long since—on Sir Henry Campbell-Bannerman's motion, the leader of the Opposition declared that it was common ground between us—common ground—that the House of Lords could not touch finance. As late as October of last year the same authority asserted that the power of the House of Commons over finance was “uncontrolled.” That was his exact word. A week ago I quoted the former of those two declarations in the House of Commons, and asked whether it still held good. To that question Mr. Balfour, although he spoke for more than an hour, made no reply. When the most fertile and astute dialectician of our time passes by an obviously relevant point without making any attempt even to circumnavigate it, the inference is tolerably clear.

Three Constitutional Innovations.

We are indeed—and I say it in all seriousness—we are in this matter suddenly confronted with no less than three constitutional innovations. In the first place we have the claim of the Upper House, not as an archaic legal survival, but as a living and effective right, to control the levying of taxation. In the second place we have the claim of the same House, a body which cannot itself be dissolved, to compel a dissolution of the popular Chamber. And, lastly, as a consequence and a corollary of the other two, we have the assertion of its power to make or unmake the Executive Government of the Crown. Every one of these revolutionary pretensions we shall withstand for all we are worth. The result is what at first sight seems rather like a paradox. We, the progressive party, find ourselves here to-day, in the first place, occupying Conservative and constitutional ground, defending the liberties which have been transmitted to us from the past against invasions and usurpations which have for the first time received the official countenance of the

Tory party. What has been done once may be done again. I do not say that it will be. But I do say this, that it becomes our first duty to take effective steps to make its recurrence impossible. We shall therefore demand authority from the electorate to translate the ancient and unwritten usage into an Act of Parliament, and to place upon the Statute-book the recognition, explicit and complete, of the settled doctrine of our Constitution that it is beyond the province of the House of Lords to meddle in any way, to any degree, or for any purpose with our national finance.

Tariff Reform the Cause of the Revolution.

This proposed revolution in our constitutional procedure becomes the more significant, and, I think, the more sinister, because it has been brought about at the practical instigation and through the ceaseless pressure of those who for years past have been trying to bring about a revolution in our fiscal system. Some weeks ago, in September, at a meeting in Birmingham, when few people thought that responsible leaders of the Tory party were going to be driven into these wild and desperate courses, a letter was read from Mr. Chamberlain. Let me say in passing that his opponents regret quite as sincerely as his friends the causes which disable him from coming into the foreground in this impending struggle. But in that letter Mr. Chamberlain expressed his hope that the House of Lords would see their way to force a General Election, and he proceeded to give his reason. What was his reason? "The Budget," he wrote, "is the last effort of Free Trade finance to find a substitute for Tariff Reform." There we see the whole motive of this manœuvre unmasked. The Budget was to be rejected at all hazards, at whatever violence to constitutional usage and practice, not because it is a Budget of Socialism and spoliation, but because it provides a substitute, an effective substitute—I will go further and say a destructive substitute—for what is called Tariff "Reform." Tariff "Reform," as we all know, whatever it may mean to Mr. Balfour—that is what nobody knows—but we all know it means in the mouth of Mr. Chamberlain and his followers, among other things, the taxation of the necessities of life. It is the fear of its advocates that if this Budget once takes its place on the Statute Book, this Budget which seeks to provide the cost of social improvement from the superfluities of one class, the luxuries of another, the monopoly values of a third—if this Budget once takes its place on the Statute Book the cause of the Tariff Reformers would become a forlorn hope. It is that fear which has provoked and engineered this crisis. In the issue so raised you have at stake the double fortunes of our constitutional liberties and of Free Trade.

Never Again !

So far we are on the defensive. But at the same time and by the same action the House of Lords has not indeed raised but has

hurried on a larger issue still. I tell you quite plainly and I tell my fellow-countrymen outside that neither I nor any other Liberal Minister supported by a majority of the House of Commons is going to submit again to the rebuffs and the humiliations of the last four years. We shall not assume office, and we shall not hold office unless we can secure the safeguards which experience shows us to be necessary for the legislative utility and honour of the party of progress. You will be told, gentlemen—you have been told already—that the issue lies between government by two Chambers and government by a single Chamber. That is not the case. I myself, and I believe a large majority of the Liberal party, are in favour of what is called a bicameral system. I see nothing inconsistent with democratic principle or practice in a Second Chamber as such. On the contrary, I see much practical advantage that might result from the existence side by side with the House of Commons of a body, not, indeed, of co-ordinate authority, but suitable in its numbers and by its composition to exercise impartially in regard to our ordinary legislation the powers of revision, amendment, fuller deliberation, and, subject to proper safeguards, of delay. Those are both useful and dignified functions. Yes, gentlemen, but we have got to deal with a present and an immediate necessity. It may well be that a process of evolution or substitution may in course of time give us a body better fitted than the House of Lords for the judicial exercise of the functions which are really appropriate to a Second Chamber in a democratic State. But, as a great man once said, "Things are what they are," and we have to face them as they are. Our present position gives us all the drawbacks with few, if any, of the advantages of a Second Chamber. For what is our actual Second Chamber? It is a body which has no pretensions or qualifications to be the organ or the interpreter of the popular will. It is a body in which one party in the State is in possession of a permanent and an overwhelming majority. It is a body which, as experience has shown, in temper and in action is frankly and nakedly partisan. It is a body which does not attempt to exercise any kind of effective control over the legislation of the other House when its own party is in a majority there. It is a body which, when the conditions are reversed, however clear and emphatic the verdict of the country has been, sets itself to work to mutilate and to destroy democratic legislation, and even in these last days it lays a usurping hand on democratic finance. That is a plain, literal, unvarnished picture of what everyone knows to be the fact.

The Absolute Veto Must Go.

We are going to ask the country to give us authority to apply an effective remedy to these intolerable conditions. Here, again, what is to be done is to be done by Act of Parliament. The time for unwritten convention has unhappily gone by. We are not, as I

say, proposing the abolition of the House of Lords or setting up a Single Chamber, but we do ask, and we are going to ask, the electors to say that the House of Lords shall be confined to the proper functions of a Second Chamber, which I enumerated to you a few moments ago. The absolute veto which it at present possesses must go. The powers which it claims from time to time of, in effect, compelling us to choose between a dissolution and so far as legislative projects are concerned—legislative sterility—that power must go also. The people in future, when they elect a new House of Commons, must be able to feel, what they cannot feel now, that they are sending to Westminster men who will have the power not merely of proposing and debating, but of making laws. The will of the people, as deliberately expressed by their elected representatives, must, within the limits of the lifetime of a single Parliament, be made effective.

Shorter Parliaments.

And, remember, these changes in the relations between the two Houses—and, of course, at this moment I do not commit myself or commit you to any precise details of machinery or method—I say these changes must be accompanied and supplemented by a shortening in the duration of the life of the House of Commons itself. No one desires—certainly no Liberal desires—to make possible the ascendancy even for a brief span of years of a body which has ceased to represent the nation. Shorten the life of a Parliament to five years—and I should not myself be afraid of making it four—and you will have reduced that possible risk to vanishing point.

The Task Must Not be Under-estimated.

That, gentlemen, is the policy which the Government lay before you. Let no one under-estimate the magnitude of the task. We have not embarked upon it without counting the cost. I do not—which of us does?—under-estimate the odds against which we have to contend. The House of Lords has behind it on this occasion forces which it could never have enlisted upon the abstract issue of its constitutional right to deal with finance. The vast majority of those who are going in January to back it up at the polls would, a year ago, have strenuously denied its possession of such a right. It will have behind it on the one hand concentrated for resistance the formidable interests which the Budget has offended, and, on the other hand, burning with aggressive and missionary zeal, the motley horde which has gathered itself round the flag of Tariff "Reform." Does the prospect alarm you? I see that some great organs which in the old days used to be in touch with popular opinion can discern no evidence that the nation resents the conduct of the Lords. I believe you could tell a different tale. Well, we shall see.

The Three Capital Issues.

And now, how do we stand ourselves? United, I hope and trust, for I cannot believe that with such causes at stake there will be found any room for sectional divisions, for local differences, for personal rivalry. All these will, I am convinced, be fused and combined in a common campaign against a common enemy, for with the three capital issues which I have endeavoured to lay before you—the absolute control of the Commons over finance, the maintenance of Free Trade, and the effective limitation and curtailment of the legislative powers of the House of Lords—in these three issues we are following on the best and surest lines of Liberal tradition and Liberal policy. We have behind us the authorities whose teaching and example we most revere, the founders and fathers of our Constitution, the economists and administrators who rescued our industries from the fetters, the greatest apostles of democracy of our time—Gladstone and Bright. We have to support us the memories of the past, the needs of the present, and the hopes of the future. Show yourselves worthy of the task, and quit yourselves like men.

THE PROBLEM OF UNEMPLOYMENT.

A SPEECH

DELIVERED BY

THE RIGHT HON.

D. Lloyd-George, M.P.

(CHANCELLOR OF THE EXCHEQUER),

IN THE

QUEEN'S HALL

On DECEMBER 31st, 1909.

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THE PROBLEM OF UNEMPLOYMENT.

MR. LLOYD-GEORGE, *who was most enthusiastically greeted, said:* This great gathering has been summoned together to appeal to the greatest metropolis in the world, of the greatest empire in the world, to take its place in the forefront of the great struggle for the rights of the people. It is not the first time London has taken the lead in such a struggle as that. Some centuries ago London was in the forefront of the fight to establish the rights of the Commons of England to grant Supply to the Crown, and to deny Supply except on condition that grievances should be redressed. We are now engaged in establishing that right, not as against a monarchy, but as against an oligarchy, and we are calling upon those who support the action of the Lords to show cause why the constitutional rights of the people should not be established beyond cavil or question.

The Question of Unemployment.

What is the Tory answer? I have followed it very closely, and, as far as I can see, in London they attempt no answer at all, but they seek to divert attention by side issues. We are not afraid to meet them, and to-night I propose, subject to your patience, to deal exclusively with one of those side issues, a not unimportant one. It appears in every Tory paper, on every Tory platform. It is one which I am going to show we have not the slightest desire either to shirk or to avoid—I mean the question of unemployment. Now what is the contention of our opponents? They submit two contentions. The first is that the Free Trade system of this country has had the effect of depriving a very considerable proportion of our working people of the opportunity of earning a living, and that that condition of things, which has been growing from bad to worse ever since Free Trade was established, has been considerably aggravated by the Budget I introduced in April last.

The Lords and the Budget.

I propose to deal with both of those questions, and the first thing I should like to do is to put this question to you—Has it ever occurred to you, with those two contentions in your mind, why the House of Lords did not follow the advice of Lord Rosebery, not to reject the Budget, but to put it into operation for a year? Now I want you to follow that, as it is by no means a bad test of their sincerity. What did Lord Rosebery say?—and he is a perfectly sincere opponent of the Budget. Very few people like to pay if they can

avoid it, and there can be no question as to the sincerity of Lord Rosebery's objection. He said to them: "Here, this is such a bad Bill that all you have to do is to pass it, and let it come into operation, and after a year's experience the people of this country will realise what a thoroughly pernicious thing it is, instead of entering upon a very doubtful contest now." Those are his words, not mine. Personally, I have not the slightest doubt about it—"in a year's time your victory will be assured." Why did they not adopt that staid counsel? Just follow. They might have said, "We took the high patriotic line. We could not allow, even for the sake of party advantage, a bad Bill like this to come into operation, to destroy confidence, and to destroy the trade and commerce of the country." If they had said so, their record proves that at any rate they do not always follow that line. They said the same thing about the Trade Disputes Bill and the Miners' Eight Hours Bill, and Lord Lansdowne, their leader, said about the Old Age Pensions Bill that it was a thoroughly mischievous measure. In spite of that they passed it, simply because it would not be to the interest of the House of Lords not to pass it. They are not above passing even a bad Bill if they think it is to the advantage of their party to do so.

Improvement of Trade.

I will give you another consideration. The worst that could happen to this country if the Budget were passed would be that ten millions of money would be extracted out of the pockets of the rich for the purpose of paying for *Dreadnoughts* and old age pensions. I think this country could stand that for twelve months at any rate without being utterly ruined. And my third reason for believing that that was not their motive was this. If trade had gone from bad to worse since the introduction of the Budget, then the Lords might have said: "We must put an end to it. We cannot stand this any longer in the interest of the country, and therefore we must throw it out, whatever the consequences may be." But that was not the case. From the moment the Budget was introduced trade improved. Our foreign trade went up month by month until the last month of all. The month in which the Budget was introduced our foreign trade went up by, I think, something like ten millions. Unemployment went down steadily from the month of April until it dropped something like 2 per cent. From April down to November the traffic on our railways improved. There is every indication that we are in for better times, and so far from the Budget having shaken confidence, destroyed credit, and injured the trade and industry of the country, things have improved, and I think we can say will improve for at least twelve months.

The Lords and Land Valuation.

Therefore I dismiss that as an explanation of their reason. What was it then? (A VOICE: "*The land taxes.*") I will give you two. The gentleman there has anticipated me with the first. The first

reason undoubtedly was this—that in the course of the next twelve months, before they would get any opportunity of calling upon the country to express their opinion on the Budget, great progress would have been made with the land valuation. Now, I want you to consider what that would have revealed. It would have revealed startling results. It would have shown, at any rate, the extent to which the great ground landlords of this country have escaped their fair share of the burden of taxation. Lands rated at a few scores of pounds per year, or at the outside a few hundreds, are rated as agricultural land, and get half their rates paid out of the taxes of the country. The official valuation would have proved that lands of that kind are worth scores and hundreds of thousands of pounds. What would that have meant? The tradesmen of the country, the business people of the country, who are now being crushed by the heavy burden of local taxation, would have turned round and said, "Where is their share of all this?" The working men of the country, whose rents now are in many cases almost impossible of payment, owing partly to the price of the land on which their houses are built, and partly to the heavy rates, would, with the tradespeople, business people, and commercial elements of the country, insist on the great ground landlords paying upon the real value of their land. By throwing out the Bill the Lords for the time being have avoided that catastrophe, and naturally they are anxious. We must talk about something else.

A "Black Background" Wanted.

What is the other reason? It is the one I am going to deal with at this meeting. The other reason is this. Trade is recovering rapidly—recovering from a blow which came from America. Unemployment is diminishing. Foreign trade is improving. Our shipping is improving. Our railways are improving. And there is another factor of very great importance going to tell next year. We have heard a good deal about capital being exported abroad. You have heard of capital exported abroad, but you have not seen capital exported abroad yet but that it comes back in orders for British goods. These orders are due in the course of the coming year. They will be flowing in, and before the next General Election would, in the ordinary course of things, have become due, trade would have been booming merely by the execution of these great orders. So the party managers said, "Don't you wait. Trade is not so bad as it was, but there is still room for improvement. Take it at its present condition. Unemployment is not as bad as it was. It is still rather bad. If you wait another year there will be no unemployment, no bad trade, and it is no use going to people working overtime and saying to them, 'Your job has been taken away by the foreigner.'" Now you understand why they threw out the Budget instead of waiting another year. It is because they have no confidence in their own prediction. They don't believe our trade is going to be taken away either by the foreigner or by the Budget.

The Tariff Reformers' Calculation.

Now the mere fact that they urged the Lords to throw the Bill out shows that they themselves do not believe that unemployment is going to be worse. On the contrary, they believe it is rapidly diminishing, and in the course of another year it will be idle to talk about it on a platform. You can frighten people about Halley's Comet. You can tell them what a frightful catastrophe will happen when we pass through its tail. But once we are through, all the dangers are over, and you will know really how thin it is. And it was just the same with the Protectionist bogey. There it is. It now fills the sky. But in a very short time we shall have passed through it, and we shall know that it is the thinnest of gas. They talked like this in 1885 exactly. I remember on every platform in England the same talk about unemployment, the same talk about the foreigner taking away the bread from the mouths of the children of the workmen. I remember how they predicted that in a very few years, unless we changed our fiscal systems, the factories and the mills and the mines and shipping of England would be ruined. Who answered them then? (A VOICE: "*Mr. Chamberlain.*") Quite true. I remember the service he rendered then—and we remember it with pride—by showing it was purely a temporary condition of things, by showing that every country in the world was suffering from the same depression, by showing that unemployment was worse in Protectionist countries, and by showing that if we simply kept our heads cool and stood by the flag of freedom things would come round. And so they did. Since then our trade has gone up with foreign countries by scores and hundreds of millions, and so far from having gone to the bad we are much better off. However, the party managers said to the Lords: "Don't you wait. Don't you risk it. You will never get another chance like this." And they are not going to get another chance.

Employment at Its Best when Imports Highest.

Now let me give you four or five considerations on this question of unemployment. The argument of our opponents is this—that the foreign products imported into this country take away the employment of our own men. Well, now, the first thing I should like to impress upon you is—and it is a fact which is thoroughly well known, but one has really got to emphasise these fundamental and elementary facts for the benefit of our opponents—that whenever imports are at their highest employment is at its best. So far from imports from abroad taking away the work of our employés, you look at the trade statistics for the last fifty years, and you will find that the more goods come in from abroad in a given year the better is the state of employment. It means that trade is better.

Trade Fluctuations not Confined to this Country.

The second consideration is this—trade fluctuations are not confined to this island. These gentlemen talk as if there was no depression in trade in any Protectionist country—always full work,

working overtime—one year's end to the other. Well, how tired they must be. It really is very odd that with all this excessive demand for labour abroad their wages are so much lower abroad than in this country. The fact of the matter is that every country is liable to have trade depression. You have ups and downs in trade in every land. Trade is not a tideless sea. It has its spring and ebb in every land. This is no exception. As a matter of fact this great trade depression began in America, and it was very much worse there than it has ever been here. And whenever you get less trade, less business, you must have less employment, and that is not a truism which is applicable to this country alone.

Unemployment Worse in Protectionist Countries.

Well, now, the third fact I want to rub in, or, rather, I want you to rub in, is that when trade depression comes unemployment is worse in Protectionist countries than in ours. Now, they talk of America as if everybody had enough to do there at all times and seasons, year in and year out, and as if there was never unemployment. It is a high tariff country. If there is a Protectionist country in the world it is America. It has every advantage that nature can give it, every resource. There is not a metal or a mineral they have not got. It has an immense continent of country. I do not know of any country in the world with so many natural advantages as America, and in addition to them it has got the artificial advantage of a high tariff—according to our Protectionist friends. What is the state of things there? I must trouble you with figures. After all, these things resolve themselves into figures. The trade depression began there in 1908. What was the unemployment in the State of New York, which compares with the metropolitan area here. In the State of New York, in the month of May, 1908, the state of unemployment was 30 per cent. of the workmen making returns there. Thirty per cent! In this country about the same time the state of unemployment was something like 8 per cent.—I beg pardon, 7 per cent. To be absolutely accurate to a fraction—because I do not want to have to write letters to the newspapers—in the State of New York it was 30·6 per cent., and in the United Kingdom it was 7·4 per cent. Almost one out of every three in the State of New York out of work in the month of May, and in this country only 7 per cent. Even Sir Alexander Acland-Hood has given that up, and it must be a very bad case indeed before he surrenders.

Why the Figures for May are Given.

I will tell you why I have chosen the month of May. Had I chosen January and February and March—it was then 35 per cent. in America—then they would have said, "Yes, the weather there is so bad in those three months that they cannot work in the building trades." There is something to be said for that. But you must remember that there are two sides to that. It means that if, owing to natural conditions, you are not able to work at full tilt the first

three months of the year you ought to be able to crowd more work into the other months of the year, and, so far from being 30 per cent. in May, they ought to have been working overtime in May to make up for lost time during the frost in January, February, and March. But, instead of that, in the merry month of May, in Protectionist America, with all the blessings of a tariff to keep foreigners away, 30 per cent. of workmen out of work! And if you look at the trades they are very interesting. This (*alluding to a return he held in his hand*) is their official report. It is not a Free Trade Book. There is what is called transportation. I suppose that includes railways and trams, and carters. There you find in 1908 30 per cent. of the people out of work. There are railways here, and what percentage of the people are out of work on the railways in this country? Take, again, engineering, including shipping. There in May were 35 per cent. out of work, furniture and woodworking 37 per cent., printing 22 per cent. That is the state of things in that great country, and no doubt there was great suffering there. Well, here you are in this Protectionist paradise, where you have got Custom House officers lining the shores like cherubims, with the flaming sword of a scorching tariff to keep out every foreign-made article from the Garden of Eden. Here, once you enter the garden, you find the serpents of hunger, want, unemployment hissing in every glade. What is the good of talking about Free Trade creating unemployment when you have official facts of this kind staring you in the face? There have been a good many charges of falsehood hurled at honourable men on our side. Before they repeat them they had better burn all their leaflets first.

The Same Thing in France and Germany.

The same thing applies to France. I find even in France, where they have not the same teeming population, that during the month of May 11·9 of the workmen were out of work according to the official reports. In Berlin last year in winter, according to a house-to-house canvass made by the trade unions, they had 100,000 people out of work in Berlin alone. If you apply that proportion to Greater London it will mean about a quarter of a million out of work. Let the Tories prove whether there is anything approaching that in this great country. So much for their figures about unemployment.

Unemployment and Cost of Living.

There is another thing to be said when you are out of work in this country. It is pretty hard anywhere. There is a great deal of suffering. But at any rate in this country you can buy food and clothes cheaper than in any other country in the world. But what does unemployment mean in Berlin with a 12s. duty on bread? That is what you have to face in a Protectionist country. (A VOICE: "*We won't.*") No, I quite believe you—there is far too much commonsense in this country. That's the difference. If unemployment comes here, it comes

at any rate where food is cheapest. If it comes in Protectionist countries, it comes where food is dearest and most inaccessible to the working men. That is a point to be considered.

Protection Would Aggravate Unemployment Here.

Protection would aggravate unemployment in this country. Let me point that out to you, if it is necessary rather for the benefit of those outside than those in here. We are a country that depends more upon its international trade than any other country in the world. When Mr. Balfour in his speech yesterday—and I think Mr. Chamberlain in his manifesto—when they appeal to foreign countries and say, “Why don’t you look to foreign countries and see what they are doing?” my answer is this: Every tradesman must consult his own business. You would not go to another trader for advice as to how to conduct your own business, which is of a different character.

Our Business is an International Business.

Our business in this country is pre-eminently an international business. In America, which is a vast continent, they can depend on their own resources entirely, and they do not depend on an outside trade. In Germany they depend to a certain extent on outside trade, but not to the same extent as we. But in this country if you destroy our outside trade, then this country is a heap of ruins. What is the good of quoting Germany here? We have got half the carrying trade of the world. Where does Germany come in? I agree Germany has got something like a third or a quarter of the whole of her fleet engaged, and engaged very largely, in carrying her own goods. But we carry for the whole world, and if we destroy our carrying trade we destroy our business. We cannot compare this country with Germany. We are the carriers of the world, the bankers of the world. We are the merchants of the world. We do more manufacturing for the world than any other country. What is the good of quoting other countries?

We Depend upon Our International Trade.

I do not want anyone to depend—even my friends—upon what I say. You look at the Board of Trade statistics—official statistics—of the shipping of the world. When I spoke with my friend, Captain Norton, in his constituency, I challenged them specially to give me an answer on four points, and one of them was—I said we sold more of our manufactured goods to the world than any other country, and almost as much as any two countries in the world put together. That is our trade. These people have not a proper pride in their own native country. I do not want to quote these second-rate shops in Germany or elsewhere, and ask Britain, the foremost trader of the world, to follow the example of people whom it has taught to do business. We were in business long before they ever started their shops. Very well, therefore, I say—I want to impress this—we must do nothing to destroy our international trade, because we depend more upon it than any other thing.

Our Trade in the Neutral Markets.

Let me take an illustration. Take two shops. One shop does its business almost exclusively in its own area. Another shop also does a large trade in its own area, but it does a very large wholesale trade outside. It sends its goods by 'bus and rail to all parts of the country. That second shop must depend very largely or entirely on two things—the superior quality of its goods and their greater cheapness. If you want cheap goods you must have cheap material, and anything that increases the cost of the material out of which things are made for that shop must diminish its trade, because it cannot compete with the others, and if you diminish its trade you diminish the employment there. You want fewer assistants and fewer workmen. And it is just the same with Great Britain if we do anything that imperils the lead we have now—I want to emphasise this, because these people talk upon platforms as if we had suddenly taken second or third place. We are maintaining our trade in the world in all the neutral markets from pole to pole. The only exceptions are those where you have places just on the frontier of one or the other great competing countries. But you take all the great neutral markets of the world. We are more than first in all of them. Do not let us do anything to impair that. If we do anything to impair our foreign trade we lose business, and how is that going to cure the problem of employment?

Our Home Market and Our Foreign Trade.

There is another thing I want to put to you. They say: "But we can fall back on the home market." We have got a home market, but we want the markets of the world as well. The home markets would be a poorer market if we had not got the world as well. What is it that enriches the home market? It is the fact that we are doing the business of the world. When we carry half the trade of the world we do not carry it for nothing. We are fairly good business people, and, although we are very philanthropic, when we sell goods to the world we sell them at a profit. When we lend money to the world, we lend it for a good percentage. If you have any doubt about it, ask Lord Rothschild. I hope that is not another insult to Lord Rothschild. You dare not mention this great potentate on a Liberal platform except in the language of idolatry, which I am not in the habit of using. All this business we are transacting with the world means more profit for this country, more profit for the merchant, the banker, the insurance agent, the shipowner, the manufacturer, the coalowner. (A VOICE: *The Brewer*.) He always comes in, and I have been trying to get a share of his profits to build *Dreadnoughts*. That means that the people at home who make all these profits, who reap these harvests of foreign trade, have more money to give orders in the home markets. You know that the talk is that most of the goods that are consumed in this country come from abroad. You would be surprised if you looked at the manufactures which come from abroad and compared them with the manufactures made and sold

in England to see what a small percentage it is. Therefore, the more money our people make, whether out of Britishers or foreigners, in honest business and trading, the better it is for the home market. Do not let us listen to this folly, this insanity which would destroy our international trade in the supposed interest of the home market, which depends for its enrichment, its power to purchase, upon the greatness of the trade we are carrying throughout the whole world.

Mr. Balfour and Unemployment.

If I may say so, I am very pleased to see Mr. Balfour has recovered from his temporary indisposition. It is only those who have seen his great fighting qualities in the House of Commons who can fully realise what a great loss it must be to his party to have him absent even for a short period from the front of the fight. Mr. Balfour quite fairly in his speech yesterday stated the case. He said that in his judgment no alteration in our trade relations could possibly remove unemployment, but it might mitigate it. Well, now you may mitigate the evils of unemployment, I agree. I believe eventually you may be able to remove them, but not by this method. I will come to the method by and by. But is Mr. Balfour quite sure what the effect of only an alteration in the tariff would be upon unemployment? Is he sure that it would reduce that unemployment from 6.5, where it is now, let us say to 3? Is he not afraid that it might have just the reverse effect and convert 3 into 30 per cent? That is what has happened in America. Is he prepared—for he, after all, is a responsible statesman—is he prepared, I would venture respectfully and humbly to ask, to pledge his honour—is he prepared to pledge his reputation for foresight as a statesman, is he prepared to be responsible to the millions who in this country depend for their daily bread on trade, commerce, and industry, that the tariff will not have the same effect here as in America, and deprive people not to the extent of 6 per cent., but to the extent of 20 to 30 per cent. of employment in the days of depression? It is too great a hazard.

Is It Not Too Great a Hazard?

Now we have got the biggest trade in the world—I challenge anyone to contradict it—in shipping and manufactures. We are not mere carters. We are not mere parcel deliverers. We make goods. We make the best goods. Manufactures, fabrics, textiles—we make the best, and we sell at a good price, too, everywhere. And, having got this lead, and maintaining this lead, not in percentages, but in actual figures, in millions, in quantities, is it not too great a hazard for us to throw it away upon a tariff? There may be an improvement, but no sane man would ever pledge his reputation as a certainty. My own judgment is, I cannot believe that a country like this, which has a great reputation for sanity and shrewdness, will ever take such a foolish risk as that in its trade. If I am not wearying you, I have a little more. (A

VOICE: *Let's see the old year out.*) Well, we shall be seeing in a year which will be a very fateful one in the history of the democracy of this country, and one which, I hope, will mark the dawn of a new era.

Liberalism and Unemployment.

Well, now I have a question to ask. I have told you why, in my opinion, it would be hazardous, it would be extremely risky, it would be foolish to gamble with our great international trade. In my judgment, the effect would be—and it is a judgment which is fortified by the experience which I had at the Board of Trade—in my judgment it would simply increase unemployment enormously in this country. But is that all that Liberalism has to say about unemployment, you will ask? No. If that were the only answer Liberalism had to make about unemployment, well, I tell you frankly, I should not be here as a Liberal Minister to-night. Unemployment entails great suffering on the part of people who do not deserve it. They are not responsible for the fluctuations of trade. They are purely its victims, and I think that it is the duty of any country within the limits of its resources to see that that suffering is mitigated and if possible removed. We have set ourselves to that task.

The Budget and Unemployment.

What have we done? My first answer is the Budget. Now what does the Budget do? It makes a larger provision for mitigating the evils of unemployment than any measure ever introduced by any Government. Now let me show you. I added them up. First of all there is the provision of labour exchanges and the insurance against unemployment. The two go together. In the Budget a million-and-a-half per annum is set aside out of the new taxes for the purpose of setting up labour exchanges to assist in the finding of employment, and to provide adequate insurance to save the man who is out of work perforce and his wife and his family from starvation till he gets employment. Now that is a million-and-a-half provided in the Budget. What more? We have done something towards providing useful, serviceable employment, not for the sake of making employment, but employment which will be of more use to the country. Now what is the first? We have set aside £600,000 towards the improvement of roads and the making of new ones, and the motorists of the country are gladly contributing to that sum of money, because it improves the road accommodation for them, and makes them less a terror to the rest of the community.

National Development.

In addition to that we have undertaken to do something towards promoting schemes for the development of the resources of this country—the neglected resources of the country—in afforestation. When they talk of Germany and these countries they must not forget that there are scores and thousands of people engaged there in State forests. Then in agriculture, in the development of transport, light railways opening up the country, we are setting aside every year

for the first five years half-a-million of money to create a fund upon which the Development Commissioners can draw whenever there are useful schemes for the purpose of developing the resources of the country. In addition to that we have set aside an annual sum of money for scientific experiments in agriculture and to improve the condition of agriculture, upon which labour so essentially depends, and generally for assisting the scheme of development which has been set out in the Development Bill. We have put down this year £200,000 for the purpose. We did not anticipate that the Budget would get through, at any rate before September or October, and we only put in £200,000 this year. Next year it will be £400,000. To people who talk about our having done nothing to meet the problem of unemployment I would point out that in this Budget there are three millions of money annually set apart out of the new taxes for the purpose of coping with the problem of unemployment. When did any Government ever do that before? The Tories talked about old age pensions; we gave them. The Tories talked about unemployment; we dealt with it.

A Complete Overhauling of Our Land System Necessary.

Still, in my opinion, that is not sufficient. Our only hope of effecting a permanent improvement in the problem of the unemployed is in a complete overhauling of our land system. And now we come to business. We make less out of our land than any country in Europe. Why? Because of our land system. It discourages expenditure in capital; it does not give security to capital. They are constantly talking about the importance of giving capital a sense of security in this country. Have they ever thought how important that is in agriculture? Is there adequate security now for the capital expended on the land? All those of you who have been brought up in an agricultural district, as I have, know perfectly well that no money which you spend upon land on any adequate scale will bring in its full fruition for five, ten, fifteen, or often twenty years. How can you expect any man with an annual tenancy, terminable on a year's notice, without reason assigned—how can you expect him to spend all his capital when he does not know, not merely whether he or his children will be there to reap it, but whether the rent may not be put up on his own improvement? Is he going to put his own money, is he going to run into debt, to borrow money for the purpose, and if he is, what security is there for the lender? Absolutely no legal security at all. There is the security of the poor farmer, who may be here to-day and gone to-morrow, but no legal security.

Absolute Security Essential.

The first essential condition in fully developing the resources of this country is to give absolute security to the man who spends money upon developing. We are spending money on scientific education in agriculture. In the Development Bill, as I pointed out to you, I have set aside a good many hundred thousands more

for the purpose. It is essential; but what is the good of teaching scientific agriculture? It all means money. It means spending more money, and you will not get people to spend money until they have absolute security that they will get back every penny of that money, with all the profit that it makes. The farmer is not to blame. The labourer is not to blame. They are all working hard. They are facing great anxieties. They are doing their best within the limitations imposed upon them. What is to blame is our land system.

Our Idea as to Land Fundamentally Wrong.

Our idea as to land is fundamentally wrong, and I will tell you why. The idea which is fostered by a certain section of people is that the land of this country was created for the benefit, for the enjoyment, for the amusement, for the amenity of a small class of superior persons. The land of this country was given for the rearing of a strong, healthy, happy race of men, women, and children upon it. How does that affect the problem of unemployment? I will tell you. The difference between the man who spends money with a sense of security and the man who does not, from fear that he won't get the full fruit of it, is this: One man employs twice as many men as the other does. Why is there all this overcrowding in towns? Why is it that you get two men running after one job? It is because there is a flood of people who have been flowing steadily from the villages and the rural districts into the towns to find work that they ought to have found at home.

A Personal Experience in Point.

I will give you one of my experiences in the last few days. I visited my old home, and went round the old village and over the old fields, and I wish to tell you what struck me. It was the number of old cottages I remembered which were in ruins, cottages which used to be full of bright children playing about, many of them my old schoolmates, people not rich, not prosperous, but living in healthy abundance. Nobody starved there; they had plenty of good healthy food; they reared strong healthy children there; and I remember them inhabited by men, women, and children of that type. What are those cottages now? Mere heaps of stones, with the brambles and nettles covering them.

Fewer Cottages, More Game.

I made inquiries. I asked a man who I knew had been writing up a history of that little village. I said, "How many are there of these ruined cottages in the whole parish?"—there are only about 200 or 300 cottages altogether—and he replied: "Curiously enough, I have been investigating this myself, and I find that within living memory seventy-two cottages have either disappeared or been allowed to fall into ruins." What has happened to the people? The people have gone, some perhaps to America, most of them to Liverpool, to London, to Birmingham. They and their descendants are helping to glut the labour market in the conflict for work. It would have been far better for them, far better for

their children, if they were working on the old fields at home. But I tell you another fact which I discovered, and it is by no means an irrelevant one. I find that whilst the cottages had gone out the population had gone down. The cottagers had gone away, but game preservation in that parish had more than quadrupled. They said it was the poverty of the district that sent them away. It was the foreign competition that sent them away. I saw no Germans there. I do not think I saw any German goods there. Anyhow foreign competition drove them away! It was the poverty of the district! It is the richest as it is without doubt the most beautiful land in the world.

The Land of England Not Made for Partridges, but for Peasants.

Well, now, what was it? You must remember this, and I am not putting it as a point of prejudice, but as a point which is of growing importance; there is four or five times the amount of game preservation which I remember in my young days there. Now a gamekeeper would rather not have too many cottages spread about the estate. Some of the cottagers occasionally go out at night. An occasional partridge or hare or pheasant may find its way into the cotter's soup. So game preservers never encourage the development of these small holdings. But it is not simply that. Landlords say: "We cannot afford to build cottages; it does not pay; we only get 1 or 2 per cent. on them." That, I think, is a very short-sighted policy. The landlord gets more rent, and there is more labour, and especially cultured labour, on the property. Half the money spent in game preservation in that village during that period would not merely have built those seventy-two cottages better, more commodious, and more airy, but it would have built double the number. I say this, the land of England was not made for the partridges, but for the peasants of England. Every other country in the world is paying attention to this. They are encouraging these little cotters. They are doing their best for them, and we have to do the same thing. Otherwise the proportion of unemployment will grow not from foreign tariffs but from the home landlords.

The Land System and the Building Trade.

One other consideration of the land question which I want to put to you. The building trade, I am told, is very depressed. So it is in every part of the world. But there is one reason why it is more depressed here than it ought to be. You go to any village in the country and ask, "How is it you do not build here—there are very eligible sites?" Do they say it is because of the Germans? No. It is the home-grown product, and they will tell you who he is. They will say, "Look over at that mansion there. You cannot get land here. If you do get land it is always in the spot where you do not want it, and when you get it you never get enough of it, and when you get that which is not enough you pay ten times as much for it as it is worth." That stops building. You see towns crammed and crushed in. They are not allowed to spread out at all. There

is something unseen, an influence sinister, which seems crushing them in with a bear's hug. Now you have got to clip the bear's claws. It is not merely the towns. Go to little villages. Occasionally you get men there who have saved a little money and would like to build. They cannot build. Why? It is with the greatest difficulty in the world that they get a plot of ground, and if they do they will only just get enough, without any gardens around it, and look at the price they pay! You find that land is probably worth about £1 an acre. I think it is fair that if you cut a piece out of a farm you should pay more than £1 an acre for it. You must pay for the disfigurement at 100 per cent. Double it—that is, £2 an acre. What will you find? You will find the little plot of ground in the village where land is or rather ought to be cheap charged at twenty, thirty, forty, or even fifty times its value. That kills building.

The Land System and the Tradesman.

Take another case, of which I have had some experience as a solicitor. Not a bad thing for you to get a lawyer on your side. He knows so many of the tricks of the other side. Acting for tradesmen and business men, you go to any town and you say to the tradesman, "You seem to be doing very well here, but you seem to have very little room. Why do you not open out?" "Open out," he says, "where am I going to open out? I cannot build in the clouds, and if I did I should be charged ground-rent, because by the laws of England you can charge a ground-rent if you build right up to Mars. He is the owner up to the heavens. The tradesman cannot get land for the purpose of extension, and he cannot alter any of the premises on his land without consent. If he wants to put in a new window, he must get the consent of the landlord. The landlord graciously gives his consent for a consideration. If the tradesman wants a few square yards at the back, the landlord knows perfectly well it is the only place he can build on. He cannot cart his business away on a costermonger's barrow and plant it in the next street. The landlord knows it, and takes advantage of it. What is the result? The tradesman leaves matters to the last moment. He does not build unless he is forced to, and when he does a good share of the money he would have put into the building goes towards paying the landlord, who does not utilise it for employment. Most men have a certain amount they can spend on building and no more. A man may have £1,000 to spend on a house or shop, but if he has to pay three, four, or five hundred pounds for the land he has less for the building; and if he has less for the building, less material is required, there is less employment for the workman, and everybody suffers for this greedy ground landlord.

"Capital Must Have Elbow-room."

They are all talking about capital going abroad. But look at it! Tens and scores of millions going every year! Capital must go somewhere. Capital must have elbow-room, and if it does not

get room here it must go somewhere where it can get it. If they do not allow British money to be spent on British land and British soil, the capitalist must get a return for his money, and so he invests it in the Argentine or somewhere else. You make British soil as profitable to the British capitalist as the soil of the Argentine, and British capital will not run away. Experience proves that the capitalist prefers the home investment—that is something he sees with his own eyes. If you are in for a gamble, you prefer something you cannot see, because you depend upon faith. A man naturally prefers something he knows and sees, and the land is something he can see. There is no land under the sun that repays capital more than the land of England. It is the richest under the sun. That is why the Saxons took it away from us, and left us the hills. I would not exchange. What would happen if you had a rational land system? The people would flock to the land exactly as they have been flocking to seek a job anywhere in the great commercial and industrial centres. The people prefer the land in every country. A man will take less for labouring on the soil, and he is right. He gets something from the land that no gold can ever pay him for.

The Protectionist “Heaven.”

What are these Protectionist visions and dreams and the great things that would come through taxing food? I was passing, the other day, on my way to one of my boroughs, when I saw one of the most beautiful skies. The whole firmament of heaven was lined with a fine white wool, and if you looked towards the west there was a solid bank of gold of the richest hue, and you might have imagined that at the first shower the whole country would have been covered with enough wool to clothe the inhabitants for the rest of their time and enough gold to keep us above want for the rest of our days. All that would have happened if it had fallen would have been that we would all have got a good drenching. It was nothing but vapour. That is the Protectionist heaven. Aye, yes, it is the Protectionist heaven paved with the food and raiment and riches golden in hue. Ah, but it is nothing but vapour which, if it once comes down on this land, will drench it with hunger. We have tried it before. What did it bring? It brought famine to hundreds of thousands of our people. It is bringing black bread to Germany. Why should we try it here? Let us rather get back to the cultivation of the free, unfettered, unshackled cultivation of the land of England. The land makes no promises to the tiller that it does not fulfil; it excites no hopes in the springtime that it does not realise at harvest. The land is the bountiful mother that gives to the children of men sustenance, security, and rest.

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THE PEOPLE & THE PEERS:

THE GOVERNMENT'S PROPOSALS.

A SPEECH

DELIVERED BY

THE RIGHT HON.

H. H. ASQUITH, M.P.

(PRIME MINISTER),

In the HOUSE OF COMMONS,

On MARCH 29th, 1910.

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PRICE ONE PENNY.

THE GOVERNMENT'S RESOLUTIONS

I.—MONEY BILLS.

That it is expedient that the House of Lords be disabled by law from rejecting or amending a Money Bill, but that any such limitation by law should not be taken to diminish or qualify the existing rights of the House of Commons.

For the purposes of this resolution a Bill shall be considered a Money Bill, if in the opinion of the Speaker it contains only provisions dealing with all or any of the following subjects, viz., the imposition, repeal, remission, alteration, or regulation of taxation, charges on the Consolidated Fund, or the provision of money by Parliament, Supply, the appropriation, control or regulation of public money, the raising or guaranteeing of any loan or the repayment thereof, or matters incidental to those subjects or any of them.

II.—BILLS OTHER THAN MONEY BILLS.

That it is expedient that the powers of the House of Lords as respects Bills other than Money Bills be restricted by law so that any such Bill which has passed the House of Commons in three successive sessions, having been sent up to the House of Lords at least one month before the end of the session, and has been rejected by that House in each of those sessions shall become law without the consent of the House of Lords on the Royal Assent being declared, provided that at least two years shall have elapsed between the date of the first introduction of the Bill in the House of Commons and the date on which it passes the House of Commons for the third time.

For the purpose of this resolution a Bill shall be treated as rejected by the House of Lords if it has not been passed by the House of Lords either without amendment or with such amendments only as may be agreed upon by both Houses.

III.—DURATION OF PARLIAMENT.

That it is expedient to limit the duration of Parliament to five years.

THE PEOPLE & THE PEERS :

THE GOVERNMENT'S PROPOSALS.

MR. ASQUITH, *in moving in the House of Commons, on March 29th, 1910, "That this House will immediately resolve itself into a Committee to consider the relations between the Two Houses of Parliament and the question of the duration of Parliament," said:—* Mr. Speaker, it is less than three years since the late House of Commons carried by a large majority a resolution declaring it to be necessary that the power of the House of Lords to alter or reject Bills passed by this House should be restricted by law. Since that date, Sir, three events have occurred which may be regarded as landmarks in the development of the controversy which was then formally begun. The House of Lords, for the first time in our Parliamentary history, has taken on itself to reject the whole financial provisions of the year. A General Election has been held, in which the relations between the two Houses in regard both to finance and to general legislation were, as I think everybody will admit, at any rate a leading issue; and we have seen since we reassembled here at Westminster action spontaneously taken by the other House of which I will only say for the moment—I may have to refer to it later on—that it constitutes an admission that the whole-hearted complacency with what that body surveys itself is not shared by the nation at large, and that by some process as yet undefined it must be at least superficially transformed.

Causes of "Imperious Urgency."

Thus we have, within less than six months, first, and by way of climax to a long series of acts by which the decisions of this House have been flouted and set at nought, an encroachment by the House of Lords on a domain which had come to be regarded by universal consent as entirely outside their constitutional province. Next we have had an election in which, if our interpretation of it is correct, a large majority of the representatives of the people have come here with the direct and express authority of their constituents to bring this state of things, both as regards finance and as regards legislation, to the earliest possible close; and, lastly, we have the acknowledgment of the Lords themselves that, with all the virtues and all the wisdom which they are conscious of possessing, they are like a certain class of heroines in fiction—not fully understood. At any rate, they are an item on the debit side of the electioneering account of the party opposite. These things mark a substantial and significant advance since the time of Sir Henry Campbell-Bannerman's resolution; and, in the opinion

of the Government, they not only warrant but give imperious urgency to the motion which I am about to make. (*See page 2.*)

A Two-Chamber System Assured.

Sir, the scope of the subject matter which we propose shall be referred to the Committee is confined, as the House will observe, to these two topics. That assumes that, in our view, it is expedient that we should have in this country—should continue to have in this country—two legislative Chambers. Speaking for myself, I am ready to admit that that is an opinion which I have not always held, or, at any rate, not always held with any great strength of conviction. It would be quite easy for an industrious person who wishes to embark on a singularly unattractive and unprofitable task to cite from speeches I have made in days gone by, expressions, at any rate, of scepticism on that subject. I believe I went so far, and not in the extreme heat of political youth, as to say that—leaving on one side Federal Constitutions like those of the United States and Germany, which stand entirely on a footing of their own—I could find no country in Europe, or outside it, in which it could be shown that the existing Second Chamber was in fact rendering indispensable service to the State. Hon. gentlemen cheer, but long experience and, perhaps, closer study of facts, possibly that insidious and potent influence, the growing conservatism of age, have brought me to the conviction that, whatever may be the case elsewhere, in this country there is both room and need for a Second Chamber. Yes; but let me add that there is no subject on which greater confusion both of thought and speech exists.

The House of Lords Not a Second Chamber.

Let me try to make clear—I am told I have now become a past-master in the art of ambiguity and evasion—let me make clear what I do and what I do not mean by a Second Chamber. I deny entirely, and my opinion cannot be too strongly stated or too emphatically repeated—I deny entirely that we live in this country, except in name, under a bi-cameral system. We do not. When the party opposite are in a majority, then only one Chamber counts, and that Chamber is the House of Commons. I am speaking from recent experience, and from the experience which many of us went through between 1895 and 1905—a period of ten years, not a small period in the constitutional life of a nation. We are then—we were then—without any of the checks and safeguards in the way of delay, in the way of revision, still less of threatened reference to the people, which are commonly represented as among the primary and essential functions of a Second Chamber. When that state of things exists we are exposed, and the country is exposed, in full blast, without screen or shield, to all the dangers and drawbacks of Single Chamber Government. On the other hand, when we who for the time being sit on this side of the House have a majority here, again there is only one Chamber that counts; and that is the House of Lords. Experience in the last Parliament—in the Parliament which sat from 1906 to 1910—supplies frequent and almost continuous illustrations of that truth.

Why the Lords Pass Liberal Measures.

We are told, I know, that even in that Parliament Liberal measures became law, and that they were allowed to pass. Yes, but why and how? They were allowed to pass into law on the purely tactical ground boldly and plainly announced by Lord Lansdowne in December, 1906, in regard to the Trade Disputes Bill. That Bill was offensive in the highest degree to the House of Lords, and it was denounced in the same speech by Lord Lansdowne himself as fraught with danger to the community and as inaugurating a reign of licence. How did Lord Lansdowne then speak on the functions of the House of Lords in the presence of a Bill which, in the opinion of a large majority, was pernicious in the highest degree to the best interests of the State? "They were passing," said Lord Lansdowne, "through a period when it was necessary for the House of Lords to move with great caution. Conflicts and controversies might be inevitable, but let their lordships, as far as they were able, be sure, if they were to join issue, that they did so on the ground which was as favourable as possible to themselves." Favourable ground! Favourable for what, to whom? Favourable to some great cause, favourable to some vital principle? Nothing of the kind. Favourable to the maintenance of their own powers and privileges. The whole case against the House of Lords, against the claim of the House of Lords as being nothing but in name a Second Chamber, could not be better stated.

The House of Lords "Only a Caricature" of a Second Chamber.

What does it come to? That you have frankly a partisan Assembly, always ready to pass the Bills of one party, always ready to reject and to maim the Bills of the other party, subject only to this restraining consideration—that as it rests on a purely hereditary basis, and as it is in the long run devoid of any authority, it must be careful, and at all hazards, not to risk its own skin. I say, speaking for myself, and I believe for a great many other people also, that I would far rather live under the absolute and untempered autocracy of a Single Chamber which, after all, is elected by and responsible to the people of this country than have super-added to it a kind of constitutional appendage which is the *simulacrum* of a Second Chamber, and which, by the avowal of its own leader, is ready at a pinch to sacrifice what it conceives to be the best interest of the nation, and only by so doing can renew its own licence under normal conditions to continue its habitual and mischievous career. I say, therefore, that at present we have no Second Chamber at all, but only a travesty and a caricature of such.

The Commons must be Predominant.

What, then, do I desire? I spoke of the necessity and expediency of a Second Chamber in this country. I do not accept the view, and I suspect that very few people on this side accept the view, put forward by advocates in the other House—by Lord Curzon

and some of them—that the whole function of a legislative Assembly is to protect the people primarily against their own representatives, and ultimately against themselves. I do not think my colleagues and I desire to see a Second Chamber which can be described as in any sense co-ordinate with the House of Commons. We do not desire to see a Chamber which can compete, or can claim to compete, on even terms with this House as the authorised exponent of public opinion and the national will. We desire to see maintained in all its integrity, in the best interests both of the nation and of the Empire, the predominance of this House in legislation, a predominance which is the slowly attained result of centuries of struggle and advance, and which we believe to be the sheet-anchor of our representative system.

The Functions and Constitution of a Second Chamber.

But there are functions which might be usefully and honorably discharged, consistent with the predominance of this House, by a Second Chamber—functions of consultation, revision, and, subject as I have more than once said, to other safeguards, of delay. The body which is to discharge these functions consistently with the necessary predominance of this House must be a body which is relatively small in numbers. It must be a body which, in performance of this task, rests on a democratic and not on an hereditary, basis. It must be a body which, by virtue both of its origin and its composition, of its atmosphere, of its constitutional attitude, is not, as the House of Lords is, governed by partisanship tempered by panic, but a body which is responsive to, representative of, and dependent upon the opinion and will of the nation.

The Resolutions Not a Final Solution.

Holding these views, and looking to the need for a Second Chamber, and, as it appears, the proper basis of its functions, it follows that I do not put forward the resolutions which, when we get into Committee, we shall submit to the House as a final or adequate solution of the problem with which we have to deal. On the contrary, I admit to the full that, under these very proposals, the House of Lords will remain in possession of powers which, as it is at present constituted, we believe it to be ill-qualified to exercise—a non-representative body, it will be able to interpose serious delays to the fulfilment of what may be the clearly expressed will of the electorate, a partisan body to be counted upon, if past experience is to be any guide to the future, to decline to exercise even a suspensory veto when its own friends are in power in this House. The problem, therefore, will remain a problem calling for a complete settlement; and in our opinion that settlement does not brook delay.

The Lords and the Problem.

This problem has been forced into the forefront of politics largely by the action of the House of Lords itself. It is true that the only practical contribution in the recent debate is an ambiguous

resolution which may mean anything or nothing. I may point out also that even that resolution was passed in a thin House. At least two-thirds of the total membership of the House of Lords did not take the trouble to attend. The "backwoods" have not yet disclosed their secret. It appears that they may still—under the guidance of those two distinguished veterans who told in the division the other day, whose bosoms still glow with unquenched fire, and perhaps with something of the untempered audacity of extreme and perpetual youth, be able to find a way to rout a half-hearted and divided attack. However that may be, in my opinion, and in the opinion of the Government, until you have substituted for the present House of Lords a body constituted on the lines, and limited to the functions, which I have indicated you cannot enjoy any advantage which a genuine Second Chamber is capable of bringing under modern conditions to a democratic State.

The Resolutions the "First and Urgent Step."

I pass next to the immediate business of the hour. In the meantime, as a necessary preliminary to the working out of our declared policy, we have, as a first and urgent step, to deal with things as they are, and in particular with the House of Lords as it is. We have to prevent a repetition of the unconstitutional raid of last year into the domain of finance. We have to secure that, as against the House of Lords, the wish of the people, as expressed by the mature and reiterated decisions of their elected representatives, shall in all legislation be predominant. We have got at the same time, as I think, to provide by adequate safeguards that the elected House shall not outstay its authority, and purport to act as the exponent of a public opinion which it no longer represents. These are all matters which were clearly brought before the constituencies at the last General Election, and as to which we believe this House is prepared to pass an immediate verdict. Now, the resolutions for the consideration of which I am asking the House to go into Committee are of necessity couched in general terms. They are not to be treated as clauses in a Bill; they are, on the contrary, the broad basis upon which a Bill is to be built up. Let me briefly pass them in review.

The First Resolution: The Lords and Finance.

The object of the first resolution is to obtain statutory definition and protection for a well-established constitutional practice. I do not want to weary the House with matters of detail, or, more than is absolutely necessary, with matters of history. And, therefore, I will not go back to the report of this House of 1628, or to the resolutions of 1671 or 1678, and of 1860. Those great Parliamentary acts and declarations constitute the groundwork of our financial autonomy. But I will cite, for I think it is to the purpose, two or three declarations drawn from the lips of the greatest Parliamentary authorities both of the past and of the present. I will begin with the Great Commoner—a title willingly accorded to

him by his fellow-countrymen—the first William Pitt. In language which is now very familiar, but which will bear repetition, used in this House in 1766, he declared:—

“Taxation is no part of the governing or legislative power. Taxes are a voluntary gift and grant of the Commons alone. In legislation the three estates of the Realm are alike concerned, but the concurrence of the Peers and the Crown to a tax is only necessary to clothe it with the form of law.”

Lord Rosebery on the Lords and Finance.

It is the fashion on the benches opposite now, I will not say to decry, but at any rate to deride, what are called musty constitutional antiquarianisms. Let me, then, come down to the present day. I will content myself with citing the language of three persons, two of whom are still alive, and have been my predecessors in the office which I have now the honour to hold. I will begin with Lord Rosebery. This is as late as 1894 in the House of Lords:—

“I do not think it is necessary” (*speaking of the Finance Bill*) “that your lordships should make yourselves masters of it, because I deprecate altogether the idea that the House of Lords has anything whatever to do with Money Bills.”

Lord Salisbury on the Lords and Finance.

I come to his successor, Lord Salisbury. Speaking in the same House and at the same time he said:—

“It is perfectly obvious that this House has not for many years past interfered by amendment with the finance of the year. The reason why this House cannot do so is that it has not the power of changing the executive Government”—and observe this—“and to reject a finance Bill and leave the same executive Government in its place means to create a deadlock from which there is no escape.” More wisely prophetic words have rarely been spoken. Again, only a year later, Lord Salisbury used this language in the same place:—

“This House by custom takes no share whatever in votes by which Governments are displaced or inaugurated. It takes no share whatever in that which is the most important part of the annual constitutional business of every legislative body—the provision of funds by which the public services are to be carried on and the determination of the manner in which those services are to be carried out. In regard to those matters it takes no part whatever.”

Mr. Balfour on the Lords and Finance.

I finish my citations by quoting the authority of the right hon. gentleman who sits opposite (*Mr. Balfour*). There is an absolutely consentient and concurrent stream of authority in regard to this matter, or there was until last year. The right hon. gentleman, in language which has often been cited, which is still fresh, and

which is still true, speaking less than three years ago on Sir Henry Campbell-Bannerman's resolution in this House said:—

"We all know that the power of the House of Lords, thus limited, and rightly limited, in the sphere of legislation is still further limited by the fact that it cannot touch Money Bills, which, if it could deal with, no doubt it could bring the whole executive machinery of the country to a standstill."

Finally, a year later, and precisely in the same sense, the right hon. gentleman, speaking in the country in October, 1908, declared:—

"It is the House of Commons, and not the House of Lords, which settles uncontrolled our financial system."

Statutory Protection Necessary.

In the face of those authorities and that practice, I should hope that we may have a practically unanimous assent to the first of the three resolutions. The action taken by the House of Lords in the autumn of last year shows, unhappily, that we can no longer rely on unwritten conventions, however well established, or upon the dicta of the weightiest and most illustrious Parliamentary authorities. Statutory protection has become necessary if this House is to continue to enjoy and exercise the privileges which it has claimed and exercised undisputed for more than two centuries.

The Question of Tacking.

In regard to the precise form of our proposal, I would only say this. We recognise, as everybody must, that if you are going to put into statutory shape the declaration and assertion of the financial autonomy of this House, you must make some adequate provision against the possibility of what is called tacking—tacking to Finance Bills proposals which are not germane or relevant to the subject-matter. I am not aware of any instance in the past where any such practice has been resorted to. But as we are scrupulously anxious in defining the rights of the House of Commons to circumscribe them within the area in which they have hitherto been exercised, and as there might come a time when an imprudent and unscrupulous Minister might, by the aid of a perhaps precarious and subservient majority, seek to annex irrelevant and extraneous matter to a Finance Bill—I only regard that as in the dim and distant future a purely speculative possibility—but as that time might come, we think it is right to guard against such a contingency in advance, and entrust to Mr. Speaker, who at present exercises a precisely analogous function in regard to all matters of privilege in Bills that come back to us from the House of Lords—we entrust to him the power and duty of determining whether or not a Bill is a Money Bill.

The Authority of the Speaker.

I should deprecate very much entrusting any such power to any of our Courts of Law. It is not that I have any want of respect for Courts of Law. I have spent the greater part of my life within their walls, and I have the highest possible reverence

for the great judicial traditions which are there adopted. But I should deprecate, not from any want of respect for the Courts of Law, but from a conservative adherence to the constitutional traditions of this House—I should deprecate introducing here what you have in America, wherever you have a Federal Constitution, the intervention of the Courts of Law to determine whether or not the Legislature had acted *intra* or *ultra vires*, and the submitting a question which is not a question really appropriate for judicial determination to a body properly charged with other functions. You have here an impartial representative of all parties in this House who sits judicially in our chair, a functionary who, by tradition, by experience, and by the universal respect with which his decisions are regarded and observed, is, in our opinion, a far better tribunal to determine such matters than the Courts of Law.

The Second Resolution: The Lords' Veto.

I pass to the second and third resolutions, which, in a sense, should be taken together; that is to say, the second resolution without the third is not a resolution which the Government would submit to the House. But I will deal more particularly with the second. I admit at once that, unlike the first of our proposals, it is not a mere reaffirmation, with new safeguards, of an old constitutional understanding. On the contrary, it proposes to provide a new remedy for an evil which, so long as the House of Lords remains as it is, only comes into being when there is a Liberal or Progressive majority in the House of Commons. I mean a deadlock between the two branches of the Legislature.

Two Preliminary Questions.

If the House will bear with me, before explaining and discussing our own proposals, I should like to answer two preliminary questions. The first question is, what are our existing constitutional resources for dealing with such a situation? The second is, what, if any, are the practical alternative proposals to the scheme of the Government? What are our existing constitutional resources in this matter. A deadlock between the two Houses can, of course, always be got rid of, for the time being, by the exercise on the part of the Crown of the prerogative of dissolution. If that were the only way of escape, we should have to admit that, in existing constitutional circumstances, the House of Lords, itself indissoluble, can whenever it pleases call for a General Election. But our Constitution, though by no means perfect, is not so lopsided as that.

The Creation of New Peers.

The remedy by way of dissolution obviously does not apply to the House of Lords, but the Constitution has provided a means by which when the House of Lords, stubbornly bent on refusing to give effect to the will of the people as declared by their representatives, can be brought to reason. That is the exercise by the Crown of another

of its prerogatives—the creation of new peers. It is a prerogative, I agree, which has been rarely either exercised or threatened.

LORD H. CECIL: Would the right hon. gentleman say when it has been exercised?

MR. ASQUITH: Perhaps the noble lord will restrain his impatience for a moment. It is a prerogative which has been rarely exercised or threatened. Does he dispute that proposition?

LORD H. CECIL: It has never been exercised.

MR. ASQUITH: It is a prerogative which, I repeat for the third time, has been rarely exercised or even threatened; but it exists.

The Prerogative Neither Dormant nor Obsolete.

That it is not dormant or obsolete is, I venture to say, the opinion of almost every one of our great constitutional authorities. I will cite one or two of them. They were people who were not partisans, and whose authority will command universal respect. I take, first of all, Sir Erskine May in his "Constitutional History": "It must not be forgotten that although Parliament is said to be dissolved dissolution extends no further in fact than the Commons. The Peers are not affected. So far, therefore, as the House of Lords is concerned, the creation of peers by the Crown on extraordinary occasions is the only equivalent which the Constitution has provided for the change and renovation of the House of Commons by a dissolution. In no other way can the opinions of the House of Lords be brought into harmony with those of the people." I go on to cite a great living authority, whose opinion will be received with the utmost respect by the party opposite, and who has provided them with a great deal of dialectical pabulum—I mean Professor Dicey in his introduction to the study of the "Law of the Constitution." After speaking of the understanding and habit in accordance with which the House of Lords is expected in every serious political controversy to give way at some point or other to the will of the House of Commons—I wish it were more of a habit—he goes on to speak of that further custom which, though of comparatively recent growth, forms "an essential article of constitutional ethics." Will the noble lord observe that "modern constitutional ethics" by which in case the Peers finally refuse to acquiesce in the decision of the Lower House the Crown is expected—expected—to nullify the resistance of the House of Lords by the creation of new Peers." That is the opinion of Professor Dicey on this matter of modern constitutional ethics. Finally, I may cite a great authority, though he was not a lawyer; he was, as everybody admits, one of the most brilliant, far-seeing, and illuminating writers on British politics known in our time—the late Mr. Bagehot. He, treating the matter from an entirely different point of view, says that the Constitution contains an exceptional provision to prevent the Executive appointee of the Popular Chamber of the nation being stopped in its action. The Crown can make new Peers and so create a majority of Peers and say to the House of Lords: "Use the powers of your House as we like, or you shall not use them at all."

“Absolutely Essential to the Preservation of Popular Rights.”

In face of these authorities, it is very difficult to maintain that this is not an integral and essential part of our constitutional practice. Indeed, if it were not so, there would be absolutely no escape, except by means of either force or revolution, out of a constitutional *impasse*. Reference is sometimes made—and I shall have to speak a little later on of that—to the old Royal Prerogative of veto over legislation. That prerogative, of course, could not be continued side by side with the development of real representative government. They are contradictory one to the other. On the other hand, such an artificial bi-cameral system as ours makes the exercise of the prerogative of creation absolutely essential to the preservation of popular rights.

The Peers and this Prerogative.

Let me point out in this connection that it cannot at this moment be too clearly borne in mind that the resolution passed the other day by the House of Lords to the effect that the possession of a peerage should not in itself give the right of sitting and voting in that House deals a direct and fatal blow at this Royal prerogative. If that resolution were to be passed into law, if it were to acquire the power that can only be given to it by a statute, what would be the constitutional situation? The House of Lords would become for the first time in our history an autonomous and uncontrollable body beyond the reach of the Crown and its Ministers, and securely intrenched in the position of absolute and unassailable constitutional independence. That is as far as the House of Lords has yet gone.

Alternatives to the Government's Proposals.

But both these prerogatives, the prerogative of dissolution, which applies to this House, and the prerogative of creation, which applies to the other House, are, as every one will admit, and no one more fully than I, grave and exceptional remedies, not to be resorted to except under the stress of urgent and extreme necessity: *nisi dignus vindice nodus*. Neither of them is perfect, and neither of them is suitable for dealing with every-day cases of difficulty and deadlock which under our present system occur from time to time between the two Houses when they are not of the same political complexion. So I now come to my second question. Apart from these prerogative powers, real, living, to be held in reserve only to be exercised in case of need, but in case of need to be exercised without fear, apart from these prerogative powers, standing in that position, what practical suggestions have been put forward, other than the proposals which we are about to make, which are suitable to deal and appropriate to deal with what one may call the habitual and constantly occurring deadlock between the two Houses? As far as I know, there are only two.

The Referendum.

The first of these goes by the name, the rather barbarous name, of the Referendum. I admit that, speaking at this table on Sir Henry Campbell-Bannerman's resolutions, I coquetted with the Referendum, and now say quite distinctly that I reserve the question of the appropriateness and the practicability of what is called the Referendum as possibly the least objectionable means of untying the knot in some extreme and exceptionable constitutional entanglement. I do not in any way prejudice that question when it arises. I am now speaking of the Referendum as a mode of escape from what I call the ordinary or everyday deadlock of our present Parliamentary system; and, as an expedient for dealing with that situation, I confess I think it altogether inadequate. In the first place, its application would be extremely uneven. If you are to have a Referendum when the two Houses differ, what are you going to have when the two Houses agree? That is not such a foolish question as at first sight appears. Suppose that happens which has happened within our own experience. Supposing you have a House of Commons which, as the General Election shortly afterwards shows, has completely perverted and misrepresented the mind of the nation. Suppose you have that House passing by large majorities measures which approve themselves to the majority of its members for the time being, but are condemned by the great bulk of the nation? Suppose you have a sham or dormant revising Chamber at the other end of the corridor without demur and without reference to the people passing those measures *sub silentio*, must you not give the great majority of the inhabitants of this country some power corresponding to the Referendum, some power of initiative, some power of submitting a question to the popular vote? A Referendum which can only be exercised when the two Houses differ would be a very uneven constitutional system.

Parliamentary Responsibility.

The Referendum as a normal part of our constitutional machinery in my opinion and that of my colleagues, and probably of the great majority of both sides of the House, would tend largely to undermine the independence and responsibility of this Chamber. So long as you have here the opinion of the vast majority of the constituencies, upon their shoulders rests the undivided responsibility for determining the policy of the Government and for deciding what measures shall be put upon the Statute-book. This House acts under a sense of restraint, but if the matter be left at large it could always be said, "It does not very much matter what we do, for, after all, it can always be referred to the people." In the interests of Parliamentary independence and responsibility, I think the Referendum is not a normal part of our system.

The Isolation of a Particular Issue.

Let me point out one or two other further considerations, if I am not taking the House too far into matters, because all these things really work into one another. It is said that by means of the

Referendum in the case of a deadlock between the two Houses we could do what you cannot do now when you have a General Election—you could disentangle and isolate the particular issue. I do not believe you could do anything of the kind. Indeed, I am certain you could not. The Referendum might be nominally and ostensibly on some particular point. Everybody knows that the whole machinery of both parties in the State would be brought to bear on the determination of the issue. You would have the turmoil, the tumult, and a large part of the expense of a General Election; and, while I have the highest possible respect for the intelligence and political instinct of my fellow countrymen, I do not believe it would be possible for them under these conditions completely to segregate the particular issue on which the Referendum took place and to ignore entirely the whole of the rest of the field of politics. On these grounds, therefore, I should deprecate the adoption of that solution of our difficulty.

A Joint Session of the Two Houses.

Now let me come to the other and the only other solution which, so far as I know, has been suggested, and that is a joint Session between the two branches of the Legislature. That is the remedy which has been accepted by two of our greatest self-governing Dominions. We find it in the Australian Constitution and in the South African Constitution, to which we assented a year ago. In France, too, although there is no constitutional provision on the subject, yet both Houses, the Senate and the Chamber, have I believe, by rules which they have made for themselves, provided that in the event of a deadlock the matter should be determined by conference between them. This scheme of a joint Session has, I think, a great many recommendations; and I desire to say most distinctly here and now that if you had two Legislative Chambers composed on a democratic basis and related to one another somewhat after the fashion I indicated earlier in my speech, with a proper numerical relation one to the other, I think there is a great deal to be said for settling differences that might arise by means of a joint Session. I do not in the least prejudice it, and when it arises I think the hands of Parliament ought to be perfectly free with regard to it.

No Solution in Present Circumstances.

But is it applicable? Can it be made applicable to our existing Constitution? It is quite clear that it could not. In the first place, the House of Lords consists at present, I believe, of over 600 members, whereas we are 670, so that in a joint Session of the two Houses, and apart from the unwieldiness of that body and the mechanical difficulties that might arise, you would have the non-representative House in a proportion of something like 50 per cent. of the whole body. That in itself is a fatal objection to a joint Session. But apart from that, taking the House of Lords as it is, you have got a body which is a partisan body in the proportion

of something like ten to one. Take the late House of Commons, which is a very good illustration. We had a majority larger than any Government has ever possessed in any House elected since the time of the Reform Act—a majority of over 300. Yet, if we had gone into a joint Session with the House of Lords on a matter like the Education Bill or the Licensing Bill, it is at least extremely doubtful whether we could have carried either Bill. Of course, it might be said to be the superior representative quality of the House of Lords; but assuming, as I am entitled to assume, for the purpose of my argument, that the House of Commons at that time represented the opinion of the country and the House of Lords did not, it is perfectly clear that no way of escape from the deadlock would be found by a joint Session. Of course, you might attempt to solve the difficulty—I do not betray any secrets when I say that my colleagues and I have in the days gone by thought of this and entertained it, weighed it, and tried it—you might attempt to solve the difficulty by a reduction of the panel. But then you only get for a time an artificial combination. I do not believe with the House of Lords as at present constituted you could devise any method of joint Session which would attain the result desired.

The Limitation of the Lords' Veto.

I pass from those two alternative methods of dealing with the difficulty to the one which the Government are going to propose—namely, the limitation of the Veto. Now, the proposal to convert the absolute Veto at present possessed by the House of Lords into a suspensory Veto is not our proposal—it is the proposal of the late Mr. John Bright. It was made by him in a more drastic form than we are now presenting it to Parliament, in the celebrated speech which he delivered on August 4th, 1884, at Bingley Hall, Birmingham. I should like to call the attention of the House for a moment to that speech and to the reception which it met with at the time in the country. Some people think that a novel and an evil practice has been introduced—I do not know whether by me, but certainly by some of my right hon. friends—of using strong language about the House of Lords. I advise them to read Mr. Bright's speech at Birmingham in 1884. He made some very unpleasant quotations, which I will not venture to repeat, from the 73rd Psalm. He ventured on such language as this, speaking of the House of Lords: "Privilege everywhere tends to beget ignorance, selfishness, and arrogance." That is what is called setting class against class.

The "Times" and Mr. Bright's Proposal.

Although the speech is very well worthy perusal and study, it is more important to see the reception with which it was met by those who were then, as now, the accredited organs of the conservative—I will not say of the timid, but more or less conservative, and certainly of intellectual opinion in this country—I mean the *Times* and the *Spectator*. (AN HON. MEMBER: *The*

Times was then a Liberal organ.) I do not remember whether the *Times* was Liberal or not then. The *Times* said: "Mr. Bright's name and authority would bespeak for this scheme attentive consideration." It goes on to say: "It is to be regretted that Mr. Chamberlain at the same meeting should have used language which anywhere out of Birmingham would certainly have been regarded as somewhat vituperative." There is a sort of apostolic succession of the whipping boys of the *Times*. The *Times* goes on to say: "The case against the House of Lords under the present Government is sufficiently strong in itself to render it quite unnecessary to indulge in unmeasured invective and extravagant abuse." Proceeding to deal with the suspensory veto, it declared: "The question is rapidly coming within the range of practical politics. The suggestions were not very subversive, and, on the whole, were entitled to respectful consideration." That was the opinion of the *Times*.

The "Spectator" on Mr. Bright's Proposal.

But I must do myself the pleasure of quoting the opinion of that great weekly organ, the *Spectator*. The complaint of the *Spectator* was that the Bright proposals were much too conservative. They got rid of deadlocks between the two Houses only by the most prodigal waste of the time of the House of Commons. But a still more serious objection was the temptation to which the Peers might succumb of applying the limited Veto with greater readiness than they had been in the habit of resorting to the absolute Veto. Therefore that great organ of opinion, rejecting as being too conservative and too timid this way of dealing with the situation, suggested the less conservative method of restricting the number of Peers summoned to the House of Lords under a scheme which would secure that the Ministry of the day would have a majority in the Upper as well as in the Lower House.

Two Improvements.

I thought it might be interesting to recall the earlier stages of this proposal. It was adopted and revived by the present Government under the leadership of my lamented predecessor in a much less drastic form than was proposed by Mr. Bright. And we now, in the proposal we shall submit to the Committee, have still further modified and, I think, improved them. What are the changes we have made in the proposals which were put forward in the last Parliament? They are in substance two. The first is, we have enacted that there shall be an interval of two years between the first introduction of a Bill and its final passing into law. The next is—and I think this is a very solid and substantial improvement—we have provided that the three Sessions referred to shall not necessarily be Sessions in the same Parliament. We couple with that the proposal that the duration of the House of Commons shall not be longer than five years.

Not Single-Chamber Government.

I should like now to deal with the suggestion which I believe is seriously entertained, certainly urgently put forward, to the effect that the adoption of the suspensory in lieu of the absolute Veto of the House of Lords would be to bring us to a condition of Single-Chamber government. I want to deal with this matter as a matter of principle. We have in this country slowly, but decisively, adopted democracy as our form of Government. And what is the essence of democratic government? Surely it is—and here I think I shall carry with me universal assent—that the will of the people, by which we mean the will of the majority of the people for the time being, shall, both in legislation and in policy, prevail. Further, we have come to the conclusion, in common with all other democratic countries, that the proper and only practical way of ascertaining that will and that opinion is by the rude process, the imperfect process, in many ways the very unsatisfactory process, of periodical popular election. I say rude and unsatisfactory for this reason. On the one hand you have growing constantly in number and complexity a mass of political questions which present themselves at popular elections simultaneously for solution; and, on the other hand, unsatisfactory also because of the perfection to which the science and art of electioneering have now been developed.

General Elections and the National Will.

For both those reasons it becomes more and more difficult to disentangle issues, and to assign, I will not say the relative predominance, but even the relative importance and influence to this or that issue in deciding the general verdict. The verdict of the country is pretty clearly as a rule—not always—in favour of one party as against the other. The verdict of the country is pretty clearly, as a rule, in favour of one set of measures and one line of policy and against the other. But, when it comes to a particular case, the case of a particular measure or particular question, it falls open to a variety of constructions. These are the inevitable defects of the system of popular election, which we share and suffer from in common with all other democratic countries. But it is the only practical way of ascertaining the national will. What follows? If my premises are correct, there is at least a strong, nay, almost irresistible, presumption that a measure passed by a majority of the House of Commons still fresh, or relatively fresh, from the polls, is a measure which is approved in its main principles by the majority of the people, and ought, therefore, in accordance with the principle of democratic government, to be allowed to pass into law. There are exceptions, I admit. It may be, as I have said, that representatives of the people in a particular case have mistaken the terms of their authority. It may be that the majority by which a particular measure is passed through this House is so small or so obviously casual and heterogeneous that its verdict ought not to be treated as expressing the considered judgment of the nation.

The Wisdom of Procuring Delay.

I admit those are both conceivable cases, and they show the possible uses of a Second Chamber, even such a Chamber as the House of Lords; and they suggest, I submit, the wisdom of procuring delay, if that Second Chamber so desires, such as is procured by these Veto resolutions. What is the object of delay? In the first place it affords an opportunity of consultation if it is a matter merely of revision. That is its real purpose. Still more, it gives time and opportunity for the articulate expression of public opinion. Does any one suppose that a measure hurried through this House under closure or guillotine by what is called a scratch majority could survive such an ordeal as that provided under this resolution—the ordeal of having to be passed in three Sessions here, and having for two years to be submitted to the scrutiny and agitation of public opinion outside? Under this scheme, in the first two years, a fresh House of Commons would be constantly subject—and therefore legislation would be subject—to the operation of public opinion; and during the last two years the time of the House would not be, as it would have been under the Campbell-Bannerman resolution, to a large extent sterilised. They may go on, and if they have passed a measure once, they may pass it again; a General Election may intervene, and the people will have an opportunity of pronouncing an opinion before the final resistance of the House of Lords is overborne. Taking the House of Lords as it is, taking the two Houses as they are, that limitation of Veto, coupled with the shortening of the duration of the House of Commons, is the best and most practical means by which, under existing conditions, we can secure that the popular will shall not be either frustrated or perverted, but shall, with due opportunities for consideration and revision be promptly and effectually carried into law.

Acts of Parliament not Sacrosanct.

Let me add, what is often ignored, that nothing is more absurd than the notion that an Act of Parliament once put upon the Statute-book remains sacrosanct, and can never be touched. It is a ridiculous perversion of history. A large part of the time of the Parliaments since 1832 has been consumed in reversing the work of their predecessors. If a new Parliament, a new House of Commons, thinks the work of the old House of Commons wrong, why cannot it undo it? We were engaged in the last Parliament to a large extent in trying to undo the work of our predecessors; and but for the obstruction which we suffered from elsewhere we should have undone it, and wiped out from the Statute-book two measures, the Education Act of 1902 and the Licensing Act of 1904, which, as we believe, ought never to have been placed on the Statute-book.

The Purpose of the Resolutions.

I am sorry to have detained you so long in dealing with the details of these resolutions. We put them forward to deal with the

emergency which confronts us, not as purporting to be a full or adequate solution of the whole problem, or as exhausting the policy of the Government. We put them forward as the first and indispensable step to the emancipation of the House of Commons, and to rescuing from something like paralysis the principles of popular government. Further, we put them forward as a demand sanctioned, as we believe, by a large majority of the representatives of the people chosen at the recent General Election, themselves representing a large majority of the electorate.

The Slowness of Fundamental Changes.

Fundamental changes in this country, as nothing illustrates more clearly than this controversy, are slow to bring into effect. There was a story current of the last Parliament, which in this connection may bear repetition. It was told of a new member of the then House of Commons that in 1906 he witnessed, for the first time, the ceremony of the opening of Parliament. He saw, gathered in the other Chamber, at one end the King sitting on his throne, at the other end Mr. Speaker standing at the Bar, and in between was that scene of subdued but stately splendour, bringing and making alive to the eye and the imagination the unbroken course of centuries during which we alone here of all the peoples of the world have been able to reconcile and to harmonise the traditions of the past, the needs of the present, the hopes and aspirations of the future. He was a man of very advanced views, and as he gazed upon that unique and impressive spectacle he felt constrained to mutter to a neighbour, a man of like opinions with himself: "This will take a lot of abolishing," So it will. It was a very shrewd observation.

The Great Constitutional Transformations.

But I am not sure that he had mastered, shrewd man though he was, the real lesson of the occasion. So far as outward vision goes, one would seem, no doubt, in the presence of such a ceremony as that, to be transplanted to the days of the Plantagenets. The framework is the same, the setting is almost the same. The very figures of the picture—Kings, Peers, Judges, Commons—are the same at any rate in name. But that external and superficial identity masks a series of the greatest transformations that have been recorded in the constitutional experience of mankind. The Sovereign sits there on the throne of Queen Elizabeth, who, as history tells us, on one occasion at the end of a single Session opposed the Royal Veto to no less than forty-eight out of ninety-one Bills which had received the assent of both Houses of Parliament. That Royal Veto, then and for long afterwards an active and potent enemy of popular rights, is literally as dead as Queen Anne. Yes, Sir, and has the monarchy suffered? There is not a man among us, in whatever quarter of this House he sits, who does not know that the Crown of this Realm, with its hereditary succession, its prerogatives adjusted from generation to generation to the needs of the

people and the calls of the Empire, is held by our gracious Sovereign by a far securer tenure than ever fell to the lot of any of his Tudor or Stuart ancestors.

“The Absolute Veto of the Lords Must Follow the Veto of the Crown.”

Again, the liberties of the Commons, which you, Sir, only a month ago once more claimed and asserted at the same bar in time-honoured phrases which carry us back to the days when those liberties were in jeopardy from the Crown—the liberties of the Commons, slowly and patiently won, in these days newly threatened and invaded—not, indeed, through the Crown, but from another quarter—are only in danger if, unlike our forefathers here, we refuse to take the necessary steps to make them safe. But, Sir, there is one factor in the Constitution which, while everything else has changed, remains sterilised in its development, possessing and exercising power without authority, still a standing menace and obstacle to progressive legislation and popular government. The absolute Veto of the Lords must follow the Veto of the Crown before the road can be cleared for the advent of a full-grown and an unfettered democracy. I beg to move.

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LORDS' "REFORM" OF THE HOUSE OF LORDS :

What it is, and What it would Mean.

Mr. ASQUITH, *speaking at the Annual Meeting of the National Liberal Federation at Hull on November 25th*, said :—Ladies and Gentlemen,—It is a great pleasure and privilege to me to find myself at such a moment face to face with so large and representative a gathering not only of the Liberals of Hull and the East Riding, but of the delegates from the National Liberal Federation who throughout the length and breadth of England and Wales are the staff officers of the Liberal army. For some months you have been condemned, for what I believe to be good reasons, to enforced inaction, but the time for truce and parleying is over. Within three days Parliament will be dissolved, and by the end of next week you will find yourselves in one of the most momentous political struggles in the annals of British history. I rejoice to know from the reports that reach me from all quarters that whatever may be the case elsewhere, our party is in good heart. There is no division of aim, there is no competition between sections, there is no rivalry of persons. There is everywhere unity, discipline, loyalty, and faith.

A Tory Fiction.

We are told that this Dissolution is the wanton and unscrupulous manœuvre of a desperate and discredited Government, that we are springing it upon the country in order that we may extort, without adequate discussion, from a dazed and bewildered electorate a precipitate assent to a revolutionary scheme for setting up Single-Chamber government. That is a fiction which is widely current and seems to have played a conspicuous part in the recent debate in the House of Lords. Let us just for a moment or two see how the matter really stands, and how far we can be justly charged with rushing a Dissolution upon an unprepared and uninformed nation.

The Issue at last General Election.

It is barely a year ago since the last Parliament was dissolved. What was the cause of the Dissolution? The rejection, for the first time in our history, of the Budget by the House of Lords, and I speak within the recollection of all of you when I say that, not indeed the sole issue, but the main and dominating issue at that election was upon these two points—first, Shall the veto of the Lords in regard to finance be altogether put an end to ; and, next, Shall the veto of the Lords in regard to our legislation be limited and cut down? That was the issue which was debated upon a thousand platforms throughout the length and breadth of the United Kingdom for more than six weeks.

The Result of last General Election.

What was the result? You had a House of Commons returned to Westminster in which there was a majority against the continuance of the Veto of the Lords of something like 120. And if you look to Great Britain alone a majority against the continuance of the Veto of over 60. We are told that we are trying, by means of Irish votes, to thrust our policy down the reluctant throats of the British electorate, and I see the Tories have now got a new motto or war-cry from Mr. Balfour, "Great Britain shall manage the affairs of Great Britain." I have always thought, being a better Unionist than many who call themselves by that title, that the Budget was not an affair that concerned Great Britain alone. I have always thought that the Constitution was not an affair that concerned Great Britain alone, and that we are living now in a United Kingdom. But if we are to look to Great Britain alone, the result of the last election was that by an emphatic and decisive majority of over 60 the electorate of Great Britain declared itself in favour of the Budget and against the Veto of the House of Lords.

Why the Tories had no Alternative Policy.

But we are told there was then no alternative policy before the country. Whose fault was that? It was hardly our business to produce an alternative policy, and the reason why there was no alternative policy was this, that at the time the discovery had not been made by our Tory friends that the House of Lords, as it exists, is a decayed and crumbling structure which has got to be rebuilt from its very basement to its roof. No, that was the heyday of those peers, who went by the name—poor innocent men—of the Backwoodsmen, who must now in their remote retreats be rubbing incredulous eyes when they read every morning of what is going on at Westminster. I must not be tempted into unbecoming flippancy. I have been rebuked, *urbi et orbi*, by no less a personage than the Archbishop of Canterbury, because I ventured, by the citation of an almost classical passage from one of the most classical of English works, Boswell's "Life of Johnson," to import levity into the discussion of so sacred a theme as the House of Lords. Indeed my case is even worse. I have got into trouble with both the Archbishops. The one complains of my pleasantries and the other of my metaphors, so I am going to be careful and try to mend my ways, but at the same time, respectfully observing that it is not I and my friends, but Lord Rosebery and his associates, who, within the last fortnight, have pronounced sentence of death upon the House of Lords, and are now casting about to see if they can find somebody who can take up the succession. But a year ago, ignorant of what was in store for them, the rank and file of the House of Lords, who, after all, constitute a very large numerical majority in the body, were, with the benediction of their leaders, going about from platform to platform

trumpeting its virtues and relying, above all, upon its last and supreme achievement—the salvation of the country from the iniquities of a Socialistic Budget.

Misrepresentation of the Government's Policy.

There was no alternative policy then. But let me follow the matter out through its later stages. The new House of Commons met, and there has been so much misunderstanding and so much misrepresentation of the declared policy of the Government that I will venture to read to you what I said within a week or ten days after the meeting of the House of Commons on February 28 last. This is what I then said. I said on behalf of the Government in the new Parliament: "If the House should assent to our Veto proposals, a Bill to give effect to them will, without delay, be introduced. The Bill will give effect to the operative part of the Resolutions, but"—and observe these words—"but without waiting for the Bill to pass through all its stages in this House we have come to the conclusion that, in order to avoid waste of time and labour and to bring the main issue to trial and conclusion at the earliest possible moment, the resolutions so assented to by this House shall be submitted to the House of Lords." We refused, we deliberately refused, and I think we rightly refused, to go on with an operation which used to be known by the name of ploughing the sands to pass a Bill through all its stages in the House of Commons—First Reading, Second Reading, Committee Stage, and Third Reading—involving an infinite waste of time and labour when, during the whole process, perfectly aware that at the moment it reached another place it would be ignominiously repelled and rejected.

The Conference and After.

Those resolutions received the assent of the House of Commons after an exhaustive discussion on April 14 last, and in due course of time and but for unforeseen events they would, with as little delay as possible, have been submitted to the House of Lords. There intervened that most lamentable event, the death of our beloved Monarch. It was followed, as was natural, by something in the nature of a political truce and by an experiment which was new in our political history, but which, I think, though it has for the moment failed, was well worth trying. We sought to discover by Conference between representative leaders of both great parties in the State if it were possible to find some common basis of agreement for settlement by consent. Those efforts having failed, I would like to know who would suggest that we might have done or ought to have done other than that we are doing. Ought we to have prorogued Parliament? Ought we to have reintroduced in another Session our Resolutions and our Bill? Ought we to have wasted another twelve months of the time of the

country over a futile and impossible enterprise? Why, we should have lost, and deservedly lost, the confidence of our friends and the respect of the country.

"Dissolution was necessary."

Dissolution was necessary, and I cite and commend to the attention of the Tory platform orators, the Tory writers in the Press—I commend words their own leader used in the House of Commons in the hearing of many of us only a week ago when he said in reply to me—I quote his exact words—"I agree it is almost certain that a General Election could not be deferred for more than a relatively small number of weeks or months. That I grant." Well, if Mr. Balfour thinks so, if he agrees with us that a situation had been arrived at from which the only outlet was to be found in an immediate, or at any rate a near, General Election, what becomes of all this hollow cry against the Government for having rushed upon the country wantonly and unscrupulously an election which it did not require?

Another Tory Fiction.

Then there comes the other fiction—namely, that we are rushing a Dissolution in order that the Lords might have no opportunity of presenting their case and that, at the same time, we might avoid submitting our Budget to the House of Commons. And this nefarious stratagem is supposed to have been defeated by Lord Lansdowne's masterly and patriotic counter-stroke of asking that the Parliament Bill should be introduced into the House of Lords. There is no word of truth in the story. The Government never had any such intention. They had made up their minds before Parliament reassembled that they would present their Budget in all its essential features for the assent of the House of Commons and that the House of Lords should have any opportunity they desired, either of criticizing our Veto proposals or of putting forward proposals of their own. That intention never varied for a moment, and it was literally carried into effect. I do not think anybody will dispute that the case for the House of Lords, such as it is, has been presented in the course of the last ten days with adequate, fullness of exposition and argument to the country.

"Afraid of the People"—Yet Dissolving.

They are always telling us we are afraid of the people. The motive of our scheme is supposed to be to enable the House of Commons to steal a march on its constituents and to carry out revolutionary measures in the teeth of those who elected them. Well, it is curious if that is so we should be dissolving now. We have got an ample majority in the present House of Commons for all the ordinary purposes of government and legislation, and yet we, who were supposed to be so afraid of the

people, supposed to cling to office by any desperate device that imagination can conceive, I say, we who were supposed to be so afraid of the people, are dissolving—and why? Because we are pledged to get this question out of the way before we proceed with Liberal legislation, which, under existing conditions, is a perfectly hopeless task. The only and, at the same time, the effectual method of getting it out of the way is to ask and to obtain the judgment of the country.

The Question for the Electors.

So much for that ; but what is the question which the electors have to put to themselves and to answer in the course of the next fortnight or three weeks? They have to determine whether we are to continue to carry on the King's Government, or to hand over the duty to our opponents. It is hardly necessary to say that the electors, at any rate, are free agents ; they are not under the domination of Mr. John Redmond. They are not compelled to toe any particular line. There is another thing to be observed about the electors—they know precisely what the consequences of giving us a majority will be. There is our plan in black and white, and everyone can understand it. The question for them simply is, Do they, or do they not, authorize us to carry it into law? I believe they will.

If the Tories Won.

But, as it is above all things desirable that they should come to their decision, whatever it is, with their eyes open, let me try for a few moments, if you will bear with me, to trace the consequences of a vote adverse to the present Government and putting the Tory Party into power. In imagination, at any rate, we can try and trace it out. I say nothing to-night, or nothing in detail, though I shall in course of the election, of the effect of such a change on the general policy of the country, on its administration, on its finance. I say nothing, or I only mention it in passing, of the certainty that such a change would bring sooner or later in its train under the guise of Tariff Reform a return to that system of Protection which less than a year ago was emphatically and decisively repudiated by all our great industrial districts. But the sole point to which I want to direct your attention is the effect that such a change would have on the settlement of the Constitutional question ; and this brings me to examine—it is time that it should be done—examine at rather close quarters what we now know to be the alternative policy. It is well worthy of examination.

What about the Backwoodsmen?

Let me first point out without any imputation upon anybody's good faith that it is at least doubtful how much of the crude and complex scheme—for it is both crude and complex—which has been so precipitately put together during the last week will ever travel even within measurable distance towards the Statute-Book. The House of Lords, I

know, has carried all these proposals without a division in hot haste, and on the eve of a Dissolution, but if and when it should come to real business, I am not sure that those backwoodsmen, of whom I spoke a moment ago and who, I have said, are a majority of the House of Lords, will be found to be such a negligible and moribund factor as they have been made to appear during all the discussions of the last week.

The Country would be Worse Off under the Lords' Scheme.

Nor is it easy to believe that a House of Commons with a real Tory majority, if you can conceive such a thing, would let this scheme through without large and even vital modifications. Indeed, Lord Rosebery has already, I see, last night put in a *caveat* that they must only be taken to have associated themselves with the general spirit and trend of the vote. There is much virtue in the word "trend," but let us take the scheme as now presented to the country as illustrative of their policy and assume that it is going to be carried into law. The proposition which I lay before you and which I lay to-night before my fellow-countrymen is this—that the country would be no better off, that in some respects it would be materially worse off, than under the existing system, which every one now admits to be utterly intolerable.

The New Second Chamber.

What is this plan or scheme which is now presented to the country as the solution of the Constitutional problem? In the first place, what is the new Second Chamber which is to be substituted for our ancient, venerable, and historic House of Lords? In the Second Chamber of the future there are to be three classes of peers, hereditary peers, official or qualified peers, and peers who are chosen—nobody knows by whom, nobody knows from whom, but peers who are chosen. What is to be the size? What is to be the proportion between these different elements, or factors, which make it up? How and by whom and by what process are the chosen ones to be admitted? All these so-called details are left open for future manipulation. But I think we can easily foresee the general result if the process of adjustment is to be in the hands—as, upon the assumption I am now making, it would be—of a Tory House of Commons, with the supervising counsel and judgment of a Tory House of Lords. In the present House of Lords the proportion of Tory to Liberal is something like twelve to one. For effective voting purposes it is about five or six to one. The party predominance in the new Second Chamber may be less odiously and offensively marked, but with such an absurdly wide margin of superiority you can afford to be generous and to give away a good deal—but does any rational man doubt that, on the basis of this scheme of Lord Rosebery's, according to the views of a Tory House of Commons and House of Lords, you will have a Second Chamber which will be overwhelmingly and permanently Conservative? And, in

the meantime—for this is the very essence of the scheme—you will have sacrificed the Royal prerogative of the creation of peers. In a word, you will be confronted once more with the old problem, the problem of chronic or recurring deadlocks between the two Chambers, the one Chamber responsible to the people and the other Chamber composed of—Heaven knows what elements—and the knowledge that a possible outlet for such deadlocks will be permanently blocked.

The Proposed Joint Session.

Let us come to another point. Let us examine this alternative proposal in all its aspects. These deadlocks, we are told, between the reconstituted House of Lords and the representative House of Commons, are to be solved by a Joint Session. Speaking for myself, I have always thought, and have more than once said, that, given a Second Chamber moderate in size and constituted on popular lines—that is a very important qualification—I would not exclude, certainly would not brush aside, procedure by conference and Joint Session as a possible and even hopeful expedient for the avoidance of deadlocks. But the crucial question here is left entirely and purposely untouched in Lord Lansdowne's proposals. Under what conditions is this Joint Session going to take place? In what relative proportions are the two Houses going to sit in it?—and remember the whole thing only comes into operation when you have a Liberal majority in the House of Commons. When a Tory majority is there the whole machinery falls into abeyance. The question is this, it goes to the very root foundation of the whole scheme—the question I ask is, What kind and what size of Liberal majority in your scheme is to have an effective voice in legislation? Is it to be 50? or must it be 100? or must it be 150? Until this is settled the proposal for a Joint Session from our point of view is wholly meaningless and nugatory. It is, in effect, nothing more than an invitation to substitute one set of shackles for another, when the nation has deliberately decided at the polls to entrust its fortunes and the shaping of its legislation to the party of progress.

What are Measures of “Great Gravity”?

But one step forward still. There comes in here a doubt—it is more than a doubt—what is meant by the exception from the operation of Joint Sessions of questions of “great gravity”? They are not to be decided by a Joint Session, but they are to be submitted by Referendum to the people. What are questions of great gravity? Who is going to decide? Obviously neither one House nor the other. What may seem to be grave to the House of Commons may seem to be trivial to the House of Lords, and *vice versa*. Are you going to call in a judicial tribunal? Are you going to bring in the Courts of Law? I earnestly trust no one will suggest that. And, if not, you must condescend to particulars and you must tell us what is the criterion and

what are the categories of questions of great gravity. I presume Home Rule is a question of great gravity. Is Disestablishment? Well, I do not know—I mean in the opinion of Lord Lansdowne and his friends. Is the abolition of plural voting? Above all and most important of all, is the question of a Tariff?

The Tories and the Referendum.

What are the subjects—surely we are entitled to ask—in regard to which Parliament is to be deprived of its omnipotence and compelled to resort to a plébiscite? Since when and why have the Tories become converts to the principle of a Referendum? It is one of the most remarkable and one of the most rapid instances of conversion in the whole of political history. I have never denied that there were rare but quite conceivable cases in which some such proceeding must be resorted to. Here we have the Conservative, the Unionist, the Constitutional Party advocating that a device that has been adopted with disappointing results in some of the modern States of the world shall become an integral part of the British Constitution.

The Referendum and Dissolution.

As such I protest against it, and I hope you will resist it, and I will tell you briefly the grounds. There are three on which I base my protest. In the first place, in effect it would, as regards all important legislation—these questions of “great gravity”—by statute give to the House of Lords the power, which it already claims, and which we strenuously deny to it, to compel, when it differs from the popular House, what would be to all intents and purposes a Dissolution and a General Election. Of course, on trivial matters, if you had a Referendum, as has been found in America, in Canada, and in Australia, people would not take the trouble to vote, and the result of such an appeal would be no index to the true state of popular opinion. If you come to really great questions, questions like Home Rule or the Tariff, does anyone suppose that such an appeal would not be attended by all the tumult of a General Election? The Parliamentary machine would be set at work, members and intending candidates would come down to their constituencies to address meetings, canvassing, placarding, the circulation of literature, all the operations of an electoral campaign such as we are contemplating, some of us with mixed feelings, would be in full swing, and the country would be to all intents and purposes involved in all the expense and turmoil of a General Election. And then suppose on a vital question like that the decision went against the Government of the day. Could the Government continue in office? Clearly not. They must either resign or dissolve. If they resigned and their opponents came into power they would have to dissolve, and you would have two Dissolutions, two General Elections, two appeals to the electorate in regard to every vital question of national policy and legislation.

The Referendum and Parliamentary Responsibility.

But I have an even stronger objection to the use of the Referendum as a part of the Constitution—that it would impair, if it would not entirely destroy, the sense of Parliamentary responsibility. You send your Members to the House of Commons to give there the best of their judgment and the best of their ability to the transaction of the affairs of the nation on the lines and within the limits of the principles and pledges which they have professed to you, and on which they sought your confidence. You do not want a Member of Parliament to go there an irresponsible item, to say, “I will vote against this or for that, because my vote does not matter, because the thing has got to go back to the electorate, and I am here as an irresponsible delegate and not here to represent, to the best what I believe to be, the considered judgment of the nation.” You are sterilising the sense of responsibility, which is the very soul of Parliamentary Government.

The Referendum and Representative Government.

At the same time—and this is the third point—you are really destroying the principle of government by representation, which is the great invention of the modern world. Democracy without representation very soon degenerates into anarchy or Cæsarism—one or the other. The only machinery which the genius of man has yet discovered which will enable democratic government to be made into a working concern is the adoption, the amplification, the development of that principle of representation. I speak not as a party man for a moment, but as a convinced democrat and one who wishes to see democratic government made increasingly efficient and capable. When the Tory Party are tumbling over one another helter-skelter, pell-mell, in their zeal and affection for this new-fangled discovery of the Referendum, I ask my fellow-countrymen, in the interests not of one party or another, but in the interests of those larger and more permanent concerns which are the common property of us all, to hesitate before, in order to find a plausible way to escape from difficulties which can be otherwise solved, they strike a deadly blow at the very foundation of representative government in this country.

The Two Alternative Policies.

I am sorry to have kept you so long with these, though they are not minor points, but I want at the outset of the coming struggle the country to realize clearly what are the two alternative policies placed before them. I can sum them up in a couple of sentences. How shall we stand if this alternative policy now put forward by the House of Lords is approved by the country and its legislative definition and embodiment entrusted to the Tory majority in the new House of Commons? In the first place, you will have a Second Chamber

which, from its composition and character, gives us at any rate no greater security against a deadlock than we already possess. In the second place, when deadlocks occur, you will have no greater security than now that the will of the popular Chamber will be predominant, or that its will may not be over and over again, frustrated and delayed by the Second and nominally subordinate Chamber, compelling the country to pronounce a second verdict in addition to the first. That is all they have to offer on the other side, and I venture to say our plan holds the field. Ours is not a plan for Single-Chamber Government. It is not put forward, as is sometimes represented, as though verbally inspired. It is not presented—as I said myself in the House of Commons in moving the Veto Resolutions—as a final solution of all our Constitutional problems. But it is submitted to the country as what is necessary, as the least that is necessary here and now, if we are to make real progress with any of the great enterprises, whether of social or political change, to which the Liberal Party stands committed.

“American Dollars” and Home Rule.

In a speech I made at the Albert Hall nearly a year ago I dwelt on some of the causes that we believe are in our keeping. I adhere to everything which I said then. I spoke of Welsh disestablishment, the abolition of plural voting, of a better licensing system, of a truly national education. I spoke, and—in view of the shameful things which are being said, I feel bound to emphasize that point—I spoke of our views of the proper solution of the problem of Irish self-government. What I then said I repeat ; to it I adhere, and I believe the Liberal Party adheres. I do not in the least grudge the Tory Party any electioneering capital that they can extract from Mr. Redmond’s American dollars. The American dollars would seem to be, in a substantial proportion at any rate, contributed by our Canadian fellow-subjects. But whether they are subscribed by that great Imperial statesman, Sir Wilfrid Laurier, or by the poorest Irish exile in Chicago or Milwaukee, I see no cause for shame either in those who give or those who take. There is, indeed, a great deal of significance in it. In our efforts to secure self-government for Ireland in the future—efforts which I hope will be followed by further efforts to set free the Imperial Parliament from much of the local work which congests its machinery and which of necessity it does so ill—we shall have with us I believe the sympathy of the overwhelming majority of the great Dominions overseas, who have learned how easy it is to combine local autonomy with Imperial loyalty. But for the moment, and this shall be the last thing I say to you, let us concentrate on the first and the greatest task, the task that lies right to our hands, the task that we are pledged to perform, the task of winning fair play for Liberal legislation and of securing for our people through their own chosen representatives the power of making and of moulding the laws under which they live.

LEAFLETS

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FACTS AND FIGURES

ABOUT

CHINESE LABOUR.

When the Tories went out of office in 1905 there were 50,000 Chinese in the Transvaal.

In addition, licences had been granted for the entry of 16,000 more, of which total 13,000 afterwards actually had to be allowed to come in.

The Liberal Government at once stopped the issue of any more licences, and every single Chinaman who has ever worked in the Rand mines has done so as the result of a licence issued by the Tories.

As their three-year contracts expire, the Chinese are now being got rid of and sent back to China.

The largest number of Chinese on the Rand at any one time was 54,000 (on January 31st, 1907).

The number on October 1st, 1909, had been reduced to 3197.

Of these 3000, 1300 leave in December, and in a month or two ALL will have gone.

This is a great triumph for Liberal policy, for it is that Liberal policy alone which has made it possible for the Transvaal Government to get rid of the Chinese.

Don't be taken in by Tory talk about the New Hebrides. What has happened there is that the conditions of labour of the natives, up to now quite unregulated, have been very much improved. The Transvaal Chinese Ordinance was a step for the worse, the New Hebrides Convention a step for the better.

**LIBERAL PLEDGES HAVE BEEN
KEPT. TORY WORK HAS
BEEN UNDONE.**

**THAT'S WHAT KEEPS THE
TORIES STILL SO ANGRY
ABOUT CHINESE LABOUR.**

JOHN BRIGHT

ON

The Lords, the People AND THE Power of the Purse.

Speaking at Manchester in 1860, on the rejection of the Paper Duties Bill, John Bright reminded his hearers that there was no dissolution for the House of Lords:

"If a peer dies there is no measurable instant of time between the death of him who dies to-day and him who votes to-morrow. The spirit does not pass from the body into space with greater rapidity, or with a more unseen motion, than passes the legislative power from the dead peer to the living one. The only things that do not die are the prejudices, the alarms, the self-interests, the determination to combine for the interest of their body, which necessarily, in all countries and in all ages, have acted upon irresponsible powers like that which our House of Lords is now assuming to become. Our taxes are drawn from the capital of the country, from the skill of its population, from the toil of all those who work—as no other people in the world, perhaps, do work; and I say that we shall have reason for ever to be ashamed of ourselves; that our children will have to be ashamed that they come from us; if we do not now resist every attempt to take from the House of Commons that which the Constitution has given to them, and which we find to be essential to our security and our freedom, namely, the absolute, the irreversible, and uncontrolled management of the taxation and the finances of this Great Kingdom."

**Give heed to this noble Battle Call to
the Battle which is upon you to-day.**

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20 THINGS DONE BY THE Liberal Government.

1. A United South Africa achieved through the grant of full Self-Government to the Transvaal and the Orange River Colony.

2. Chinese Labour in the Transvaal abolished.

3. The Army put on a business footing, its efficiency increased, and its cost lessened; the Navy kept strong and supreme; Peace maintained.

4. The right of effective combination restored and secured to the Workers; Trade Union Funds safeguarded; Trade Unionism more fully recognised by the State as Employer.

5. The right of Compensation for accidents given to 6,000,000 workers, and for injuries to health in certain dangerous trades.

6. Merchant Shipping laws amended. Position of seamen in regard to food, living room, and illness improved.

7. An Eight Hours Act passed for Coal Miners.

8. Laundry workers brought under the Factory Acts.

9. Farmers given (a) Compensation for damage done by game; (b) Freedom of cropping; (c) Compensation against unreasonable disturbance; (d) Protection against adulteration of feeding stuffs and fertilizers; (e) Protection against damage done by dogs; and (f) Protection against the sale of adulterated butter.

10. Access to the land for small holdings and allotments made more easy by the Land Act of 1907.

11. Education authorities enabled to provide meals for school children; the education system of Scotland still further improved by the Scottish Education Act, 1908.

[OVER.

12. A court of Criminal Appeal set up, personal liberty having thus for the first time safeguards similar to those which have long protected property.

13. A Children Act passed to safeguard the health and morals of the child, and to reform the law as to the punishment of juvenile offenders.

14. The law as to Patents amended so as to safeguard home industries and the home consumer.

15. Unemployment relieved by (1) the grant of over half a million to provide work under the Unemployed Workmen's Act, (2) thorough-going administrative action, and (3) the establishment of a national system of Labour Exchanges.

16. The great evil of Sweating effectively attacked in the Trade Boards Act, 1909.

17. A great measure of Housing Reform and Town-Planning carried.

18. Old Age Pensions for over 680,000 old people over 70, beginning New Year's Day, 1909.

19. $\frac{1}{4}$ d. per pound taken off the tax on sugar, and 1d. per pound off the tax on tea; 3d. taken off income tax on earned incomes of less than £2,000.

20. Free Trade adhered to. The door barred and bolted on all attempts to increase the price of food by taxation.

Don't forget also that in four years the House of Lords has wrecked and destroyed the Education, Plural Voting, Scotch Land, Scotch Land Values, Licensing, and London Elections Bills, and the

PEOPLE'S BUDGET.

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TARIFF REFORM



MEANS

HAPPIER DUKES.

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HANDS OFF!

Why do the Lords refuse to pass the Budget?

They give plenty of excuses, but everybody knows that one of the real reasons is that the Budget taxes land values.

The Tory cry is—"HANDS OFF THE LAND!"

*The Liberal policy is—TAXATION OF LAND VALUES AND
THE BEST USE OF THE LAND IN THE INTERESTS OF THE
COMMUNITY.*

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FIVE QUESTIONS ABOUT THE LIBERAL BUDGET.

Is the Budget Socialistic?—NO.

Mr. Balfour, at a Tory Conference at Birmingham (November 14th, 1907), explained to his followers what Socialism really means:—

“SOCIALISM has one meaning, and one meaning only. Socialism means, and can mean nothing else than that the community or the State is to take all the means of production into its own hands, that private enterprise and private property are to come to an end. . . . That is Socialism, and nothing else is Socialism.”

No one out of a lunatic asylum could imagine for one moment that, if the Lords passed the Budget, private enterprise and private property would come to an end in this country. When the Tories say that the Budget is Socialistic, they **do not mean** what they say; they **only mean—to try and frighten you.**

Is the Budget Revolutionary?—NO.

Except the land values taxes, there is not a single tax in the Budget which is not a natural development of existing taxes. And the Tories, who say that the land taxes are revolutionary, **themselves, when in a majority in the House of Commons, passed a resolution in favour of taxing site values.**

Does the Budget make it unsafe to invest Capital in this country?—NO.

Listen to what a controller of enormous commercial interests, who knows more about business than all the great land-owning Peers rolled into one, has to say. MR. ARTHUR CHAMBERLAIN declares that the Budget is “A BUSINESS PROPOSITION OF WHICH HE HEARTILY APPROVES.” He says that this Budget “differs from all previous Budgets in the extent to which its proceeds are to be applied . . . to purposes which would

give a helping hand to industry and to labour. Not a single one of the new proposals would injure either our agricultural or commercial interests."

Does the Budget create Unemployment?—NO.

Since the Budget was introduced, employment has improved. When it is passed—in spite of the Lords—and in full working order employment will improve still more. The Budget will find money for the making of new roads, the planting of waste land, the development in all kinds of ways of the unused resources of the country. **All this increases employment.**

The Budget finds the money to establish new Labour Exchanges all over the country which will help the man out of work to find a job.

The Budget will bring into the market land that is being held up, and builders will be able to buy it at reasonable prices. That will give a lift to building and all the numerous trades connected with it.

Is the Budget Unfair to any Class?—NO.

Those who denounce the Budget are angry because it REMOVES the unfairness from which all other taxpayers must suffer so long as rich Monopolies like Land and Liquor do not pay their fair share to the revenue. The Budget only asks the ground landlords and the liquor trade to pay to the State a fraction of the value which the community has created.

The answer to the questions with which the Tories are trying to mislead you is **NO.**

Let your answer to the question: "**SHALL THE PEOPLE'S BUDGET BE PASSED IN SPITE OF ALL THE LORDS CAN DO?**"—be an emphatic, unmistakable **AYE.**

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THE NOBLE POACHERS

The Lords have always been very severe on Poachers. Perhaps the reason is that they are such shameless and inveterate Poachers themselves.

The Lords poach on the preserves of the People; they poach on the preserves of the Commons; they poach on the preserves of the Crown.

The Lords poach on the preserves of the People. It is the privilege of the People to choose their own elected representatives, who will carry out their wishes in legislation and who will provide the revenue for carrying out that legislation. But if the People choose a Liberal Parliament, the Lords announce, "We know that you have made a mistake, therefore we cannot give our consent to the legislation passed by your representatives." Even in the very first year of the present Parliament, when it was fresh from a General Election at which the Country gave to the Liberal Government an enormous majority, the Lords destroyed the Education Bill, threw out the Plural Voting Bill, and mutilated the Act to provide meals for starving school children, the Agricultural Holdings Act, and the Irish Town Tenants Act. Each year since the NOBLE POACHERS have carried on their merry game of destruction and mutilation. And now they actually tell the

People: "We disapprove of your choice of representatives so strongly that we refuse to allow the **MONEY FOR THE PUBLIC SERVICE** to be provided, until you choose again" !

The Lords poach on the preserves of the Commons. It is the business of the Commons to initiate legislation and to control finance. The House of Lords—it is **LORD LANSDOWNE** who has said it—has no ground for action in regard to the measures which the Commons initiate unless they have been "insufficiently considered" or are "not in accord with the deliberate judgment of the country." But no matter how long and careful the consideration which is given by the Commons to a Liberal Bill, an insolent House of Lords will call it insufficient. And the action of the Lords over ordinary measures is **AS NOTHING** to their attack on the control over finance, which the Commons have possessed for centuries.

The Lords poach on the preserves of the Crown. **TO DISSOLVE PARLIAMENT IS THE PREROGATIVE OF THE CROWN, EXERCISED ON ADVICE OF ITS RESPONSIBLE MINISTERS. THE LORDS SAY: "WE DISAPPROVE OF YOUR MINISTERS; WE THEREFORE REFUSE TO GIVE THE NECESSARY AIDS OF SUPPLY; AND WE ORDER A DISSOLUTION OF PARLIAMENT.**

Is it not high time to

**STOP THEIR POACHING
ONCE FOR ALL ?**

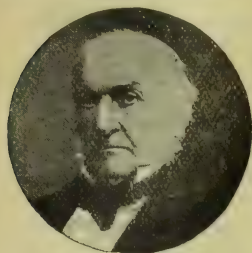
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THE GLADSTONE CENTENARY.



WILLIAM EWART
GLADSTONE,
Born Dec. 29th, 1809.

What the Grand Old Man said
about the House of Lords in
the last speech he ever delivered
in the House of Commons.

(March 1st, 1894.)

"We feel that this Bill (*the Parish Councils Bill*) is a Bill of such value that upon the whole, great as we admit the objections to be to the acceptance of these amendments, the objections are still greater and weightier to a course which would lead to the rejection of the Bill.

A State of Things . . . which . . . Cannot Continue.

"We are compelled to accompany that acceptance with the sorrowful declaration that the differences, not of a temporary or casual nature merely, but differences of conviction, differences of prepossession, differences of mental habit, and differences of fundamental tendency between the House of Lords and the House of Commons, appear to have reached a development in the present year such as to create **a state of things of which we are compelled to say that, in our judgment, it cannot continue.** Sir, I do not wish to use hard words, which are easily employed and as easily retorted. It is a game that two can play at—but without using hard words, without presuming to judge of motives, without desiring or venturing to allege imputations, I have felt it a duty to state what appear to me to be indisputable facts.

Must Go Forward to its Issue.

"The issue which is raised between a deliberative Assembly elected by the votes of more than six millions of people, and a deliberative Assembly occupied by many men of virtue, by many men of talent, of course with considerable diversities and varieties, is a controversy which, when once raised, must go forward to its issue. The issue has been postponed, long postponed, I rejoice to say.

A Solution will have to be Found.

"It has been postponed in many cases to a considerable degree by that discretion, circumspection, and reserve in the use of enormous privileges which the House of Lords on various occasions in my recollection, in the time of the Duke of Wellington and Lord Aberdeen and other periods, have shown. But I am afraid, Sir, that the epoch, the age of that reserve and circumspection may have gone by. I will not abandon all hope of it, but I must say of the present—I do not like to say that the situation is intolerable, because that is a hard and may seem a dictatorial word; but I think

hon. gentlemen opposite must feel as I feel than in some way or other a solution will have to be found for this tremendous contrariety and incessant conflict upon matters of high principle and profound importance between the representatives of the people and those who fill a nominated Chamber.

We take . . . the side of the House of Commons.

"It is not with the House of Commons to pronounce a judgment on this subject. The House of Commons is itself a party in the case. I have no difficulty in pronouncing a judgment on behalf of the Ministry in the issues that have been raised throughout this year between the two Houses. **We take frankly, fully, and finally the side of the House of Commons.** The House of Commons could not be a final judge in its own case, and I am by no means anxious to precipitate proceedings of that kind, however they might be invited by an impatience most natural in the circumstances of the case. No doubt, Sir, there is a higher authority than the House of Commons. It is the authority of the nation which must in the last resort decide. Happily, we know that we all of us are sufficiently trained in the habits of constitutional freedom to regard that issue as absolutely final upon one and upon all alike of every one of these subjects. The time when that judgment is to be invited and the circumstances under which it is to be invited, of course, constitute a question of the gravest character, and **one which the Executive Government of the day can alone consider and decide.**

Will demand a Settlement.

"My duty terminates by calling the attention of the House to the fact, which it is really impossible to set aside, that in considering these amendments, limited as their scope may seem to some to be, we are considering a part, an essential and inseparable part, **of a question enormously large, a question which has become profoundly acute, which will demand a settlement, and must receive at an early date that settlement from the highest authority.** In these circumstances the House will understand that we have not dealt lightly with this matter, that if we give advice to accept what, as it comes to us, is undoubtedly a damaged and a mutilated Bill we have given that advice under the gravest sense of our responsibility, and that, considering the nature of the issue to which we have adverted, we are unwilling to do anything in our power for the purpose of unnecessarily stimulating the sharpness of the crisis by consigning to destruction the only very important and truly national portion remaining of the arduous work of the Session now expiring. Having said this, and thanking the House for the attention they have given me, I have only to signify that it is the intention of the Government to acquiesce in the amendments which have been made by the House of Lords."

WHICH SIDE DO YOU TAKE? DO YOU AGREE WITH MR. GLADSTONE IN TAKING "FRANKLY, FULLY, AND FINALLY THE SIDE OF THE HOUSE OF COMMONS"?

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THE PEOPLE'S PURSE:

WHO OUGHT TO CONTROL IT ?

If there was one fact about the government of this country which seemed to stand out above all others unquestioned, it was that the House of Commons has the **sole right to control or deal with finance**; that, as the Budget leaves the House of Commons so it passes the House of Lords and receives the Royal Assent.

This fact was universally accepted by statesmen ; laid down by great constitutional lawyers ; taught by the recognised authorities on constitutional law ; learnt by every boy and girl in every school in the country.

The doctrine is very old. It dates back for centuries. How is that ? Because until it was absolutely established that the sole control of finance, and **THE FIRST AND THE LAST WORD ABOUT MONEY BILLS**, belonged to the House of Commons alone, popular government was impossible. The people's elected representatives must have the "power of the purse," complete and unqualified, or the people are helpless.

To be read on the Forefront of every Money Bill.

The very form in which a Bill imposing taxes is always introduced bears witness to the sole right of the Commons to control the people's purse. It is the Commons alone who are said to **"give and grant" the taxes**. Ever since 1628, when a committee, on which sat the greatest lawyers of that time, declared that the mention of the Lords should not be included, **every Money Bill**

bears on its forefront this assertion of the **SOLE RIGHT** of the Commons. The Lords protested the point, but they were **DECISIVELY DEFEATED—TWO HUNDRED AND EIGHTY-ONE YEARS AGO!**

Again, in 1671 and 1678, the House of Commons asserted that the Lords ought not to alter the rate of any tax passed by the Commons, and that the House of Lords ought not to make any change of any kind in "aids and supplies to His Majesty in Parliament," which "are the **SOLE GIFT** of the Commons."

Moreover, every King's Speech, when it refers to taxation, passes over the House of Lords, and addresses the Commons alone.

Unanimous Testimony of Statesmen.

Whether Tory or Whig, Liberal or Conservative, **NO** statesman has till now failed to recognise this **SOLE RIGHT** of the Commons.

The great **WILLIAM PITT**—the founder of our Colonial Empire—speaking on the question of taxing America, said that taxation belonged to the Commons alone, and the other two estates of the realm—the Peers and the Crown—were not concerned in it as in other legislation. This "distinction," he added, "is **ESSENTIALLY NECESSARY TO LIBERTY.**"

The **DUKE OF WELLINGTON**, one of the most Conservative of statesmen, speaking on the Corn Law Repeal Bill, said that the House of Lords ought to accept it, as it was passed by a majority of the House of Commons, and that it was not proper for the House of Lords to take into consideration whether the Commons did not, as had been suggested, express the views of their constituents. And in the same debate **LORD LANSDOWNE** (the present peer's grandfather) said that "he took the decision of the House of Commons as he found it, and received it as the undoubted decision of the representatives of the people." So **Sixty-Three Years** ago the Tory Leaders did not dream of refusing to regard the existing House of Commons as representing the will of the people, as the Tory Leaders are doing to-day!

Once, and once only until now, have the House of Lords seriously challenged the absolute supremacy of the Commons in finance. In 1860 a Bill to repeal the Paper Duties passed the House of Commons. The Lords threw it out. Then the House of Commons replied, first, by passing a series of resolutions asserting the absolute control of that House over finance and declaring that it had "**in its own hands the power so to impose and remit Taxes, and to**

frame Bills of Supply, that the right of the Commons as to the matter, manner, measure and time may be maintained inviolate," and the Commons' second method of reply was to include the petition for the repeal of the Paper Duties in "a general financial measure"—the Budget. "The financial scheme," says Sir Erskine May in his "Parliamentary Practice," the authority of which is undisputed, "was presented for acceptance or rejection, as a whole; and in that form the privileges of the Commons were secure."

Refusing Supply to the Crown.

The reason why, when the Repeal of the Paper Duties was included in the Budget as a whole, the "privileges of the Commons were secure" was that, as the late **LORD SALISBURY** afterwards pointed out on the Finance Bill of 1894, for the Lords to reject the Budget is **"TO CREATE A DEADLOCK FROM WHICH THERE IS NO ESCAPE."** The Lords, as Lord Salisbury reminded them, cannot change the Government. When, therefore, they refuse to pass the Government's proposals for raising the requisite revenue, they are simply **REFUSING SUPPLY** to carry on the business of the Crown and the Country. They cannot themselves grant the necessary "aids to the Crown," yet they refuse to give their assent to the Commons' grant, which is formally necessary in order to give it the form of law.

The late **LORD SALISBURY** has stated even more plainly, if possible, the doctrine that the Lords have nothing to do with finance. "This House," he said "by custom . . . takes no share whatever in the provision of funds by which the public service is to be carried on, and the determination of the manner in which these services are to be carried on. In regard to these matters it takes **NO PART WHATEVER.**"

Lord Rosebery's Doctrine.

LORD ROSEBERY, speaking in the House of Lords on the first reading of the Finance Bill of 1894, said that "he did not think that it was necessary, for the purpose of passing the Bill, that the Lords should make themselves masters of it, because he **DEPRECATED ALTOGETHER** the idea that the House of Lords had **ANYTHING** to do with Money Bills." The Lords, he held, could serve no useful purpose by discussing a Bill with which they had nothing to do except to pass it.

Mr. Balfour and the "Control" of National Finance.

More recently, **MR. BALFOUR** has used just the same language. In 1906 he said at Manchester: "The House of Lords, as you all know, does not interfere with the general financial policy of the country." In 1907, in the House of Commons, he declared that the House of Lords "cannot touch these Money Bills, which, if it could deal with, no doubt, it could bring the whole executive machinery of the country to a standstill." And only a year ago he confessed, speaking at Dumfries, that "it is the House of Commons, not the House of Lords, which settles, **UNCONTROLLED**, our Financial System."

What the Lords Have Done.

Now let us see exactly what the Lords have done in rejecting the Budget.

- (1) They have violated a privilege which has been for centuries the most secure and most cherished possession of the House of Commons.
- (2) They have turned their backs upon the doctrine emphatically laid down, up to the present time, by their own party leaders.
- (3) They have refused **SUPPLY** to the **CROWN** for carrying on the necessary business of the country.
- (4) They have thus fulfilled Mr. Balfour's prophecy that, **IF THEY COULD TOUCH A MONEY BILL, THEY COULD BRING THE WHOLE EXECUTIVE MACHINERY OF THE COUNTRY TO A STANDSTILL.**

But the whole gist of the situation may be summed up in two sentences. In taking upon themselves to tamper with the finance of the People, the Lords **ARE MAKING AN END TO GOVERNMENT BY THE PEOPLE.** Unless the electors insist that the control of their representatives over the public purse shall be absolute and complete, they **NEED NEVER VOTE AGAIN!** For they will be ruled and controlled entirely by an unrepresentative body.

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The Territorial Force.

In giving a sound organisation to the Land Forces of the Empire, the Government has had four tasks to accomplish--

(1) To produce an organised Field Force of the highest efficiency for foreign service, ready for instant action if required.

(2) To secure that this force shall be kept up to full strength during a war by the provision of a properly trained Reserve.

(3) **To provide a Citizen Army for Home Defence.**

(4) To organise the forces of the whole Empire, so that in an emergency all the British Dominions may co-operate with the greatest efficiency.

It is to carry out the third of these tasks that the **TERRITORIAL FORCE** has been created.

The old Volunteer Force, though it contained excellent material, was a miscellaneous collection of units with no uniform organisation. The units were not properly distributed, did not bear the right proportions to one another, and had no permanent local administration. Many of the departments which are necessary for making a modern army were altogether lacking. The training of the Volunteers had been neglected, and they would have been of very little use in any modern war. The Tory policy seemed to be to neglect the Volunteers until they could be shown to be inefficient, so as to be able to set up a system of Conscription.

The Liberal Government, on the other hand, do not believe in compulsory military service. They have accordingly trusted the Country with the task of organising itself for defence on a voluntary basis, and the country has nobly responded.

The Territorial and Reserve Forces Act was passed in 1907, and came into force on March 31st, 1908. By July of that year the force was 183,000 strong, and by October, 1909, it had increased to over 270,000.

The new force is organised in complete Infantry Divisions and Cavalry Brigades, with the proper proportions of

[OVER.]

Artillery, Engineers, Army Service Corps and Army Medical Corps, on the same pattern as in the Regular Army. It is trained and supervised by many of our best professional soldiers, and has at least a fortnight's continuous training every year, the results of which have already produced a state of efficiency beyond all expectation. Volunteers and Territorial soldiers are being organised in a Territorial Reserve after their period of service, and boys who will become Territorial soldiers later are being organised into Cadet Corps. The force is administered by County Associations, which represent the various interests in each county, including those of employers and employed. The Associations are responsible for recruiting, equipment, clothing, the provisions of head-quarters, etc. They have had a most difficult task, which they have tackled with great public spirit, regardless of class interests, and political differences. Employers of labour have also shown a most patriotic spirit in giving leave with pay for men to attend camp.

In fact it is not too much to say that a great wave of voluntary patriotic effort has spread throughout the country in answer to the Government's appeal.

What are the results ?

(1) **Home Defence is secure.** The Regular Army is therefore, for the first time, free to go abroad immediately there is an outbreak of war to the place where the enemy can be most effectively engaged. Also any invading force would have to come in such great strength, in order to have any prospect of success, that it could not escape from our Navy.

(2) **The Voluntary principle of service is permanently justified, and Conscription shown to be as unnecessary as it is costly and burdensome.**

VOTE FOR—

The Liberal Government, An Efficient Army, and No Conscription.

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DR. CLIFFORD'S

ADVICE TO

FREE CHURCHMEN.

[From a Speech at Reading, October 7th, 1909.]

The country is face to face with a great crisis—a crisis that will yield infinite issues of good or evil, according as Free Churchmen deal with it. It is felt in the home of the peasant ; it has stirred emotions in the King's palace ; the commoners feel it ; and the dukes are shrinking in their palatial homes as they think about it.

It is a crisis which involves the interests of the poor and middle classes—forty millions and a half of the people against half a million of men possessing immense property, with every luxury that one can think of. It is a battle on behalf of self-government—of representative institutions—a battle for the triumph of democracy over a selfish aristocracy. But chiefly it is a battle for the indefeasible rights of the human spirit, and therefore one into which we, as citizens and patriots and professors of the Gospel and Free Churchmen, must go.

The duty of Free Churchmen is to secure the absolute extinction of the veto of the House of Lords. That is our first duty. It is not enough that we should retain the constitutional rights of the House of Commons to control taxation—we will fight for that to the very death. Besides retaining that right, we must take care that the power of the House of Lords to limit or restrict or hinder for any considerable period the legislative activity of the representatives of the people must come to a definite and final end.

[OVER.]

Baffled, but Determined.

At the last election we had a Liberal majority and 200 Free Churchmen in the House of Commons. In the Cabinet we had Mr. Lloyd-George and others who had had Free Church training. What is the tragic result? Nearly four years have elapsed, and where are we? Ignominiously defeated. ("No, no.") Oh yes, we are. So far as Free Churchmen are concerned, they are ignominiously defeated, baffled in their purpose with regard to education, thrown back, completely humiliated, indignant and exasperated, but determined still. We shall never submit. If we do not get rid of the veto of the House of Lords we shall never get justice in education.

With regard to the rejection of the Licensing Bill, we shall never get a sober England until we get rid of the veto. We shall have to deal drastically with the power of the House of Lords if we are to deal effectively with the licensing question. It is this power that some people are depending upon to get the Budget thrown out. The dukes have ceased moaning, the millionaires have been quieted, but the brewers are at work, determined, if they can, to secure the rejection of the Budget, which will undoubtedly become the law of the land, but not unless we get rid of the Lords' veto.

I warn Free Churchmen not to be frightened by the bogey of "Socialism" or the cry that Free Churchmen should not engage in politics.

LET THERE BE NO CAPITULATION

*To the House of Lords
on this occasion.*

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THE GLADSTONE CENTENARY: 1809-1909.

his times to grand ends and mighty purposes.

Mr. Gladstone entered Parliament in 1833, soon to become "the rising hope of the stern and unbending Tories." He left it finally in 1894, after sixty-one

years of service, during which he had been four times Liberal Prime Minister. Looking back over his record he could claim that for nearly fifty years he had borne a foremost part, and frequently the foremost part, in freeing the trade of the country from the shackles of Protection, in giving religious toleration and liberty of thought, in extending the range of popular government until Parliaments had become the creation of the people and not the creatures of a privileged class, in adjusting taxation to the strength of those who have to bear the burden, in extending help and sympathy to peoples "rightly struggling to be free." He had taken as his motto, "The principle of Liberalism is trust in the people," and in guiding his life by that belief he gave his party and the nation the grandest legacy of any man of his century.

What Mr. Gladstone did is written across the whole history of his times. We are feeling the effects of his policy and his actions from day to day in the life of the nation.

BORN DECEMBER 29TH, 1809.

[From a photograph by the RIGHT HON. L. HARCOURT, M.P.]

the most diverse knowledge. He added to this a love of the people, a sense of their wrongs, and a determination to see them righted. With great commercial

genius, with wonderful executive and organising power, with the capacity for assimilating everything that came within the range of his vision, he might have attained great wealth in any other sphere. He preferred to live for the people, dying a poorer man than he had been when first he entered a Cabinet. Honours and titles were offered him in vain. He preferred to remain to the end the plain man he had always been. Titles could have added nothing to his fame. He lives in the nation's heart as the greatest of the Victorians, only made the greater by the disparagement to which he was subjected in his lifetime. To Liberals his life stands out as a beacon, pointing the path along which human progress and human freedom can safely move; illustrating his own precept that "life is a great and noble calling," and setting the world an example of public duty and private faith, never wavering amid all the temptations of a career that moved among the greatest splendours and placed almost uncontrolled power in his hands.

THE GLADSTONE CENTENARY: 1809-1909.

"Be inspired with the belief that life is a great and noble calling: not a mean and grovelling thing, that we are to shuffle through as we can, but an elevated and lofty destiny."

ON December 29th, Liberals will celebrate the centenary of the birth of the greatest figure in English politics in the last century—William Ewart Gladstone. The year 1809 was one remarkable in every way for the birth of men who were destined to greatness. It saw the coming of Abraham Lincoln, the Liberator of the slaves and the resolute upholder of American Union, of Charles Darwin, who was to change the whole direction of scientific thought, of Tennyson, the poet of the era, and of half-a-dozen men destined to scarcely less greatness in their different spheres. To English statesmanship the year gave William Ewart Gladstone, greater, perhaps, in the range and comprehensiveness of his intellect than any of the others and excelling them all in the benefits he conferred upon his time. It seems but yesterday that he was with us, guiding the ship of State with unfaltering hand at the age of eighty-four. Even yet we are too near to appreciate his true greatness, but as we recede his figure stands out as a Colossus among the men of his era. "His name," writes Viscount Morley, "is associated with a record of arduous and fruitful legislative work and administrative improvement, equalled by none of the great men who have grasped the helm of the British State." He was the great Liberal; the man who never faltered in his ideals, who never wavered in his principles, but always strove to shape the changing demands of his times to grand ends and mighty purposes.

Mr. Gladstone entered Parliament in 1833, soon to become "the rising hope of the stern and unbending Tories." He left it finally in 1894, after sixty-one years of service, during which he had been four times Liberal Prime Minister. Looking back over his record he could claim that for nearly fifty years he had borne a foremost part, and frequently the foremost part, in freeing the trade of the country from the shackles of Protection, in giving religious toleration and liberty of thought, in extending the range of popular government until Parliaments had become the creation of the people and not the creatures of a privileged class, in adjusting taxation to the strength of those who have to bear the burden, in extending help and sympathy to peoples "rightly struggling to be free." He had taken as his motto, "The principle of Liberalism is trust in the people," and in guiding his life by that belief he gave his party and the nation the grandest legacy of any man of his century.

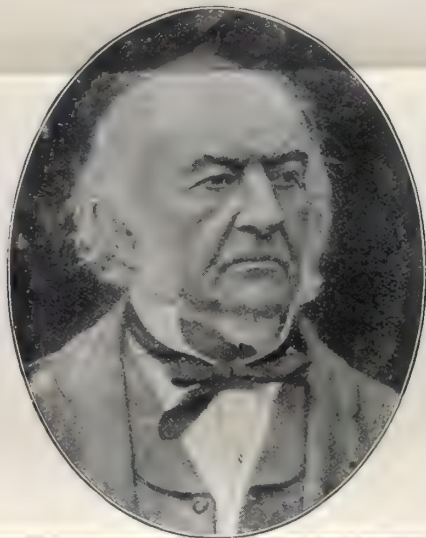
What Mr. Gladstone did is written across the whole history of his times. We are feeling the effects of his policy and his actions from day to day in the life of the nation.

Liberals, however, will this month think rather of the man than of the splendid record that keeps his memory green. Tens of thousands who are still living saw him, heard the wonderful tones of his voice setting to the music of words the deepest and truest thought of the nation, and watched his energy as he fought the battle of the people day by day and month by month in Parliament and on platforms all over the country. The writer thinks of him now as he was when Prime Minister for the last time, striving before

the end should arrive to fulfil his promise to Ireland, or again as he stood on the last day that he was to enter the House, speaking with burning indignation of the destruction wrought by the House of Lords and leaving to his followers the task of curbing and controlling that assembly. The ringing sentences in which he hurled defiance at the peers were the magnificent close of a life-time of activity devoted to righting human wrong.

A deep, religious passion for the right in thought and word and deed; a burning indignation against the wrong—these were the inward forces that moved Mr. Gladstone. Those who would read his career aright must understand these things. With an intellect that Huxley could describe as the finest in Europe Mr. Gladstone combined a simplicity of soul that scorned all courses mean or base. He brought to the service of the State almost unexampled powers, and a mind richly stored with the most diverse knowledge. He added to this a love of the people, a sense of their wrongs, and a determination to see them righted. With great commercial

LIBERALISM'S GRAND OLD MAN.

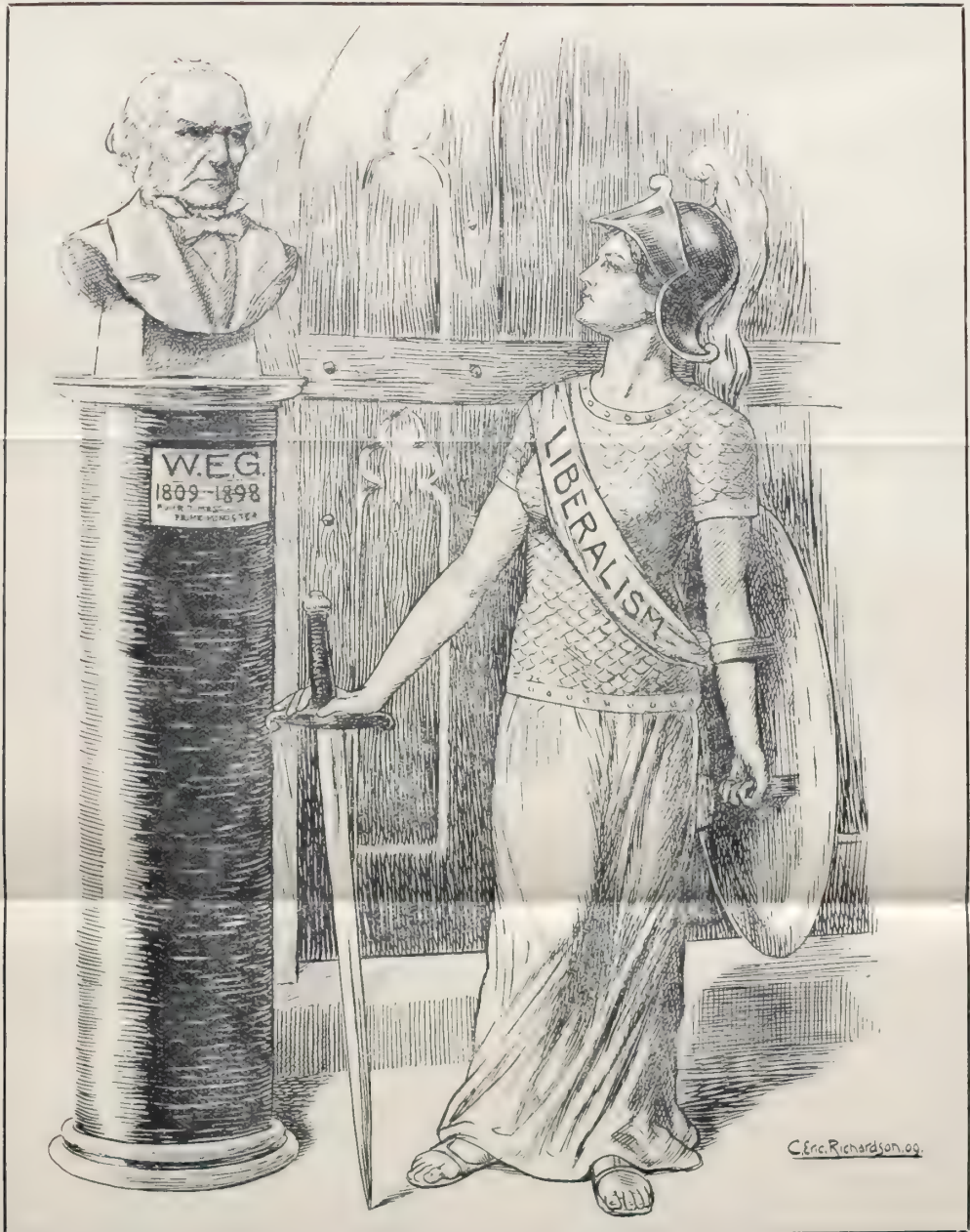


BORN DECEMBER 29TH, 1809.

(From a photograph by the RIGHT HON. L. HARGREAVES, M.P.)

genius, with wonderful executive and organising power, with the capacity for assimilating everything that came within the range of his vision, he might have attained great wealth in any other sphere. He preferred to live for the people, dying a poorer man than he had been when first he entered a Cabinet. Honours and titles were offered him in vain. He preferred to remain to the end the plain man he had always been. Titles could have added nothing to his fame. He lives in the nation's heart as the greatest of the Victorians, only made the greater by the disparagement to which he was subjected in his lifetime. To Liberals his life stands out as a beacon, pointing the path along which human progress and human freedom can safely move; illustrating his own precept that "life is a great and noble calling," and setting the world an example of public duty and private faith, never wavering amid all the temptations of a career that moved among the greatest splendours and placed almost uncontrolled power in his hands.

LIBERALISM AND THE GRAND OLD MAN.



LIBERALISM: I need no one to interpret Gladstone's spirit to me. HE would have brooked no infringement of the people's privileges.

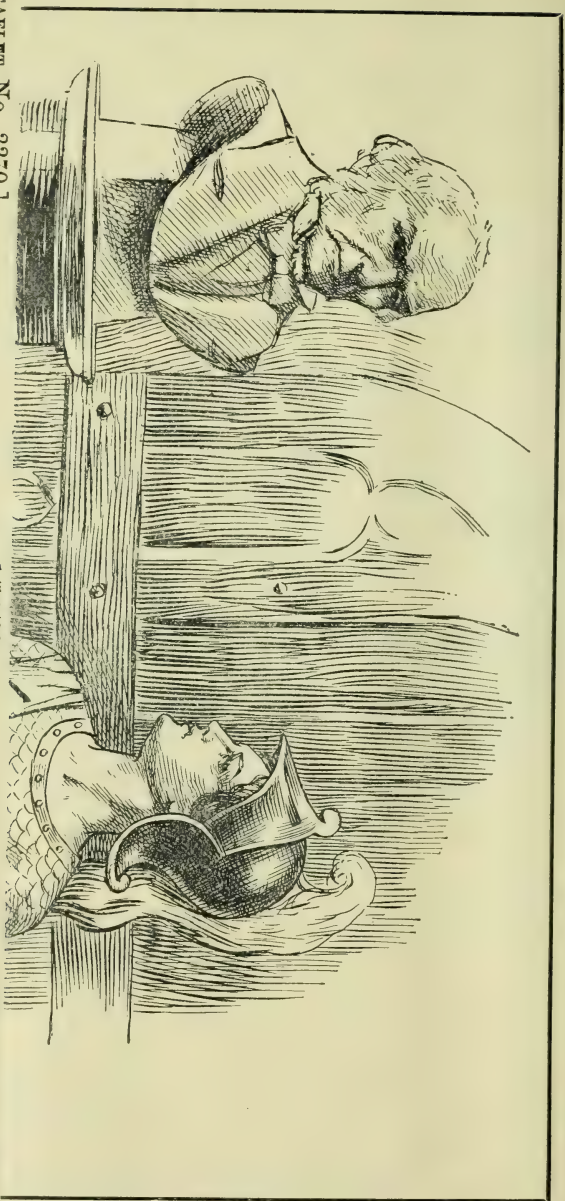
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1/12/09.

[PRICE 5/- PER 1,000.

LIBERALISM AND THE GRAND OLD MAN.



LEAFLET No. 2270.]

1/12/09.

[Price 5/- PER 1,000.

THEM."

[The "the people behind them."]



[From REYNOLDS'S NEWSPAPER.]

JOHN a bit of a kicker myself.

ation), 42, Parliament Street, Westminster, S.W.,
estminster.

[PRICE 4s. 6d. PER 1,000.]

"THE PEOPLE BEHIND THEM."

[The Tory papers assert that in throwing out the Budget the Lords have "the people behind them."]



[From REYNOLDS'S NEWSPAPER.]

JOHN BULL: All right, my noble Lord.—I'm behind you. And I'm a bit of a kicker myself.

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LEAFLET No. 2,271.]

1/12/09.

[PRICE 4s. 6d. PER 1,000.

A PENSIONER'S STORY

BY MRS. TOM WING.

Eh ! but I'm glad to see you, Ma'am, come in an' sit you down ;
My daughter's gone wi' Tommy to the market up the town.
I've on'y just to finish putting t' pots an' things away,
Then I can knit, an' talk to you, as long as you can stay.

How am I ? Why I'm better than I've bin for many a year ;
You can't thrive much on children's bread, an' five of 'em to rear.
Its a'most choked me, many a time, to tek my bite an' sup,
Wi' all them little hungry eyes a' lookin' at my cup.

Not as I think 'twas grudged me, for the children love their gran,
An' Emma's allus kind to me, an' Joe's a decent man ;
But when the rent an' clubs is paid, I tell you it's a job
As wants another Solomon to spend that fifteen bob.

Wi' Jimmy's knickers never whole for more than half a day,
An' Willie's boots a lettin' wet in quite a shockin' way,
An' Florry's frock above her knees, wi' every inch let down,
An' nine years come next Christmas since our Em has had a gown.

But this year, with my pension, it's as diff'rent as can be,
You'd never think the comfort it has brought to them an' me.
My mind's so much more easy, for I felt like in the way,
An' often wished my time had come, an' I could be away.

For thirteen years I'd never had one penny piece to spend,
An' t' workhouse looked as sure as death to have me in the end ;
But now it won't, for Joe an' Emma wouldn't part wi' me,
Or so they an' the children say, for all that they could see.

" They couldn't do without their gran," an' if I git a cough,
There's such a fuss as never was, for fear I'm goin' off.
An' if I've got the spasms, or have any ache or pain,
They're just as anxious as can be, till I'm all right again.

You was the one as told me how to get my pension, Ma'am ;
I'd hardly heard about it then, an' thought 'twas only sham,
For years ago, at 'lection times, they said they'd bring it in,
But nothing ever came of it, they promised just to win.

I never shall forget the day I went to get it first ;
They wrapped me up, an' cheered me on, an' yet I feared the worst ;
For me an' hope had parted, an' I couldn't believe it true,
An' though I had my book wi' me, I trembled through an' through.

How I got home I never knew, the tears wor in my eyes,
My heart so full that I could only git my breath in sighs,
An' when I got inside the door, an' showed it in my hand,
Poor Em an' me we hugged, and hugged, as long as we could stand.

An' every Friday since, I've gone as proud as proud can be,
The lady at the post, she seems to like to pay it me,
An' if I meet the minister, he smiles, an' lifts his hat,
As if I wor a farmer's wife, or summat like o' that.

You see I go to chapel every Sunday now agen,
I'd never bin for years an' years, I didn't like to then,
But now that I feel free to go, an' put my copper down,
I'm just as proud an' pleased as them that's givin' half-a-crown.

You, Ma'am, have bin so kind to me ; an' p'raps you'd like to know
The way I lay my money out, how far I make it go.
It don't seem much to such as you, but comin' every week,
To us it's like a fortune which we haven't had to seek.

I give our Emma four and six for lodgin's an' for board,
An' tuppence every week is my thank-offerin' to the Lord,
Then tuppence I put by a week for lots o' little things,
I'm savin' for my bonnet now, as wants some better strings.

An' every Tuesday mornin' I get out my funeral card,
An' pay my penny to the man ; for I should feel it hard
Not to be buried decent ; an' Joe couldn't pay the bill,
So t' parish won't be buryin' me, when I am cold and still.

An' now there's just a penny left, an' that I have for treats,
I allus git a penn'orth of the very smallest sweets,
An' when the children's little prayers around my knee are said,
I pop one in each pretty mouth, just as they go to bed.

An' every Friday Emma puts that four an' six away,
For clothes for all the family ; an' many a happy day
We've had this year, in plannin' what the next surprise shall be ;
Em says it's my turn next, but over that we don't agree.

They're all dry-shod I'm glad to say, an' Florry's got a hat,
An' Joe a coat, 'twas second-hand, but none the worse for that,
Our Em has got a coat an' skirt, a nice dark navy blue,
In fact the boys an' every one have all had summat new.

Ah ! how I've blessed an' prayed for them big men in Parlyment ;
Not them as promised, just to win, a thing they never meant,
But Mr. Asquith, an' Lloyd-George, who've proved themselves to be
Such real true friends an' helpers of all poor old folks like me.

IS

THE HOUSE OF LORDS

A FAIR AND IMPARTIAL

SECOND CHAMBER ?

TURN OVER THE PAGE
IF YOU WISH TO FIND
SOME FACTS THAT WILL
HELP YOU TO ANSWER
THIS QUESTION.

TORY GOVERNMENT BILLS

**Rejected, Wrecked, or Mutilated by the
Lords during the last Tory Government,
1895-1905 (10 years).**

NONE

LIBERAL GOVERNMENT BILLS

Rejected, Wrecked, or Mutilated by the
Lords during present Liberal Government
1906-1909 (4 years).

1906	PLURAL VOTING BILL - REJECTED EDUCATION BILL - - WRECKED
1907	SCOTCH SMALL LAND- HOLDERS BILL - - WRECKED SCOTCH LAND VALUES BILL - - - - - REJECTED IRISH EVICTED TENANTS ACT - - - - - MUTILATED
1908	SCOTCH SMALL LAND- HOLDERS BILL - - REJECTED SCOTCH LAND VALUES BILL - - - - - WRECKED LICENSING BILL - - REJECTED MINERS' EIGHT HOUR ACT - - - - - MUTILATED
1909	LONDON ELECTIONS BILL REJECTED IRISH LAND ACT - MUTILATED HOUSING ACT - - MUTILATED SCOTCH HOUSE-LETTING BILL - - - - - WRECKED FINANCE BILL - - -REJECTED

Surely this is a record which speaks for itself.

Mr. Chamberlain was quite right when ("in his Radical days") he described the House of Lords as

"A BRANCH OF THE CARLTON CLUB."

That is precisely what it is. There is **not even the pretence of fairness or of impartiality.** Mr. Balfour always tells the peers well in advance what he wants them to do in the interests of the Tory Party, and they always obey his instructions conveyed to them by Lord Lansdowne.

Do you think this fair or reasonable? Do you always want a few hundred Tory Peers, by having the last word in legislation, to be able to block or injure any Liberal measure they may not like, even when it is a Finance Bill, which constitutionally they may not touch? When they actually allow a Liberal Bill to pass they only do it because they think that to reject it might lose the Tory party votes.

Which side are you on?

**The side of
the Tory hereditary House of Lords
OR
The side of
the representative House of Commons?**

“A mere branch of the Tory Caucus.”

THE LORDS AND GOVERNMENT BILLS, 1868-1909.

LICENSING BILL **rejected.**

COAL MINES (EIGHT HOURS) ACT **mutilated.**

LONDON ELECTIONS BILL **rejected.**

IRISH LAND ACT **mutilated.**

HOUSING AND TOWN-PLANNING ACT **mutilated.**

SCOTCH HOUSE-LETTING BILL **wrecked.**

FINANCE BILL **rejected.**

Note that in this 41 years' record not a single Tory Government Bill has been rejected or mutilated.

THE HOUSE OF LORDS is, in fact, an UMPIRE which always gives its own side in.

Little wonder that MR. CHAMBERLAIN once said :—

“The House of Lords has become, so far as the majority is concerned, a mere branch of the Tory Caucus, a mere instrument of the Tory organisation.”

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1/12/09.

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“A mere branch of the Tory Caucus.”

THE LORDS AND GOVERNMENT BILLS, 1868-1909.

Here is a comparative record of the treatment of Government Bills by the House of Lords since 1868:—

GOVERNMENT BILLS BROUGHT IN BY

LIBERAL MINISTRIES.

1868—1874.

UNIVERSITY TESTS BILL **rejected** (twice).
LIFE PEERAGE BILL **rejected**.
BALLOT BILL **rejected** and subsequently **mutilated**.
ARMY PURCHASE BILL **defeated**.
RATING (LIABILITY AND VALUE) BILL **rejected**.

1880—1885.

COMPENSATION FOR DISTURBANCE (IRELAND) BILL **rejected**.
LAND ACT (IRELAND) **mutilated**.
ARREARS ACT (IRELAND) **mutilated**.
AGRICULTURAL HOLDINGS ACT **mutilated**.
FRANCHISE BILL **rejected**.

1885—1886.

1892—1895.

HOME RULE BILL **rejected**.
EMPLOYERS' LIABILITY BILL **wrecked**.
PARISH COUNCILS ACT **mutilated**.
LONDON IMPROVEMENTS BILL **mutilated**.
SUCCESSION TO REAL PROPERTY AMENDMENT BILL (abolishing primogeniture) **rejected**.
RAILWAY SERVANTS (HOURS OF LABOUR) ACT **mutilated**.
EVICTED TENANTS BILL **rejected**.
LOCAL GOVERNMENT (SCOTLAND) ACT **mutilated**.

1906—1909.

EDUCATION BILL **wrecked**.
PLURAL VOTING BILL **rejected**.
SMALL LANDHOLDERS (SCOTLAND) BILL, 1907, **wrecked**.
LAND VALUES (SCOTLAND) BILL, 1907, **rejected**.
EVICTED TENANTS (IRELAND) ACT **mutilated**.
SMALL LANDHOLDERS (SCOTLAND) BILL, 1903, **rejected**.
LAND VALUES (SCOTLAND) BILL, 1908, **wrecked**.
LICENSING BILL **rejected**.
COAL MINES (EIGHT HOURS) ACT **mutilated**.
LONDON ELECTIONS BILL **rejected**.
IRISH LAND ACT **mutilated**.
HOUSING AND TOWN-PLANNING ACT **mutilated**.
SCOTCH HOUSE-LETTING BILL **wrecked**.
FINANCE BILL **rejected**.

TORY MINISTRIES.

1874—1880.

1885.

1886—1892.

1895—1900.

1900—1905.

EDUCATION ACT amended in interests of the Church.

Note that in this 41 years' record not a single Tory Government Bill has been rejected or mutilated.

THE HOUSE OF LORDS is, in fact, an UMPIRE which always gives its own side in.

Little wonder that MR. CHAMBERLAIN once said:—

“The House of Lords has become, so far as the majority is concerned, a mere branch of the Tory Caucus, a mere instrument of the Tory organisation.”

Mr. Austen Chamberlain's **CONFESSION**

(At Hackney, November 26th, 1909)

**"I AM A
FOOD-TAXER"**

ARE YOU ?

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MR. BALFOUR

AND

“WORK FOR ALL.”

In a debate in the House of Commons, on November 5th, Mr. Seddon, a Labour Member, challenged Mr. Balfour to say whether he thought that Tory speakers should be allowed to raise false hopes by saying that “Tariff Reform means work for all.”

In reply MR. BALFOUR said :—

“I suppose that what the hon. gentleman has in his mind relates to what is undoubtedly the fact, that most of us believe that our method of dealing with the fiscal question in this country would have the effect of increasing employment. I think that is true, but I also agree with the hon. gentleman that if anybody interprets that as meaning that any arrangement of tariffs or anything else is going to abolish unemployment altogether, he is mistaken. I have never said that, I have never suggested it. Indeed, I believe I have on more than one occasion in this House and on public platforms as well, done my best to warn my hearers that expectations of that sort, either from this party or from any party, are exaggerated.”

So now, when the Tariff Reformers tell you that “Tariff Reform means Work for All,” you can tell them it is a

“FRIGID AND CALCULATED LIE.”

THE CONSTITUTIONAL CRISIS

MANIFESTO OF THE NATIONAL LIBERAL FEDERATION

(As issued to the Affiliated Liberal Associations of
England & Wales, December 1st, 1909.)

THE rejection of the Finance Bill by the House of Lords creates the gravest Constitutional crisis which this country has experienced for more than two centuries.

Words need not be wasted in discussing the exact terms of the disingenuous amendment whereby the Budget has been destroyed, for no one is deceived by the pretence that the Peers are 'not justified' in passing the measure until they are assured that it is approved by the electorate. This is a formula reserved by them for Liberal Bills alone. It is common knowledge that the Peers have taken action as Land-owners who object to the taxation of land, as the 'tied-house' of the Liquor interest, and as a branch of the Tory Caucus which sees in the Budget the indefinite postponement of 'Tariff Reform.'

It is for these reasons, and for these reasons alone, that the House of Lords, which Lord Lansdowne leads and which Mr. Balfour controls, has torn up the Constitution, plunged the National Finances into confusion, and claimed for itself the prerogative of dissolving Parliament. Under our Constitution, unwritten but none the less clear, the assent of the House of Lords,

whilst necessary to clothe a Finance Bill with the form of law, is as purely formal as the equally necessary assent of the Sovereign. But, while the Royal Assent would certainly have been given, Lord Lansdowne interposes his veto and prevents the Finance Bill from becoming law. Were this acquiesced in and ratified by the popular vote, it would be a precedent which would turn the Constitution upside down and inside out.

For the plain truth of the matter is that far graver and wider issues are involved than the fate of this Budget, however important that in itself may be. If the present action of the Peers is not repudiated swiftly by the people, the rights and privileges won so dearly by our forefathers in the great struggles for freedom are all surrendered. The Peers will have established their right to settle how we shall be taxed, and, with the control of the National Purse, the House of Commons will also have lost its authority as the one and only body which can make and unmake Ministries. Hitherto it has been sufficient that a Government should command the confidence of the House which is chosen by, and is responsible to, the Electors; but for the future the fate of Ministries may be determined annually by an hereditary and irresponsible Chamber acting so openly in the interests of Party and Class that its impartiality has become a byword.

Now that the peers themselves have thought well to make the question of their powers the predominant issue of political controversy, it cannot be limited to the region of Finance. For forty years no measure introduced by a Conservative Government has been impeded in its progress through the House of Lords, while, to consider only the present Parliament, every Session has seen its tale of Liberal measures wrecked or mutilated at the hands of the Peers.

Under existing conditions the country is permitted to choose a Liberal Ministry and to give it a House of

Commons majority ; but, even though that majority in the House of Commons may be, as in this Parliament, the greatest known in history, it cannot arm it with the necessary legislative authority which every Conservative Ministry possesses through its complete command of the House of Lords. In the conduct of external affairs (Foreign, Indian, Colonial), in administration, and, up to now, in finance, all Ministries of whatever Party have alike had full freedom in carrying out the policy of their Party, subject only to their retaining the confidence of the House of Commons, and it is not without significance that it is in these very departments of State activity that the present Government has, by common consent, won some of its most notable triumphs. The time is ripe, and more than ripe, for re-settling the relations of the two Houses of Parliament so that Liberal principles can be effectively applied in the domain of legislation also.

This can only be achieved by restricting the power of veto at present possessed by the Peers, and by securing that just as the House of Lords shall have no word at all in Finance, so the last word in legislation must rest with the House of Commons. Without some guarantee that the power of the Peers shall be so restricted, no Liberal Ministry can ever again assume the responsibilities of office.

The questions which the voter has now to determine are graver than those in issue at any Election within the lifetime of the oldest among us. A victory for the Tory Party would involve the degradation of the House of Commons, the aggrandisement of the House of Lords, and the return of Protection, with its inevitable Taxes on Food. To prevent consequences so fraught with evil, no effort can be too arduous, no sacrifice too great. In the long story of our struggle for Liberty, there are no chapters more glorious than those in which our forefathers successfully vindicated the right of the people to settle what their taxes should be, and how

those taxes should be spent. It is indeed amazing that in the twentieth century this right should be called in question, but the Peers have issued the challenge, and on the instant it is accepted by an eager and united Liberal Party.

In the fight thus forced upon us, the millions of electors have to decide whether they wish to govern themselves, or to be governed at second-hand by a few hundred hereditary Peers who have thrown the Constitution into the melting-pot in order to shift the burden of taxation from wealth, land, and liquor, on to the food and necessities of life.

It is the duty of each of us, and of every one who cares for self-government, to make these issues plain wherever our voice and influence can carry. When once the British voter understands all that is at stake, when he realises that he is asked to surrender his liberties to the House of Lords, and to flout the House of Commons which he himself elects, his verdict will be clear and decisive. He may waver from time to time in his allegiance to political parties, but at heart he is a House of Commons man, standing by the Chamber which he can control, and unwilling to hand over the rule to an assembly of men who, so far as most of them are concerned, only happen to be where they are by the accident of birth. **HE WILL VOTE IN THE COMING ELECTION FOR THE RIGHT OF SELF-GOVERNMENT, FOR THE HOUSE OF COMMONS, FOR UNTAXED FOOD; HE WILL VOTE AGAINST PRIVILEGE, AGAINST THE PEERS, AND AGAINST PROTECTION.**

A WORD TO WORKING MEN

**The Liberal Budget asks you
to pay your contribution in
taxes on Spirits and Tobacco.**

**The Tories want to tax the
Bread, Meat, and Cheese of
the whole family.**

**If you think one in a family
is enough to be taxed,**

VOTE LIBERAL.

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7/12/09.

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THE Price of Bread.

The price of bread depends on the price of wheat. When for any reason wheat becomes dearer, the price of bread goes up. This, of course, is a thing which no Government, whether Liberal or Tory, can control. It happened several times when the last Tory Government were in power, and Liberals never dreamt of blaming them for it, **except when they put a tax on corn.** It has also happened once or twice while the Liberals have been in power, but on each occasion the Tories have tried to make party capital out of the fact by pretending that it was the fault of the Liberals. "Even a Radical Government," said one Tory paper "with its cast-iron creed of Cobdenism, cannot keep the price of bread down to what it was under a Conservative Government." But—

Has it been the fault of the Liberals? NO.

Has it been because bread is taxed (as the Tories want it to be)? NO.

Why has it been, then?

Simply because there has been, for one reason or other, A SMALLER SUPPLY OF WHEAT, which therefore cost more.

As the following extracts show, some Tories have been honest enough to admit that this is the truth:—

LORD LONDONDERRY (a Member of the late Tory Government) said:—

"The high price of grain is due to the bad seasons in Europe and North America; and India, which had been an exporter of grain to this country, has none to export."—(*Darlington, December 23rd, 1907*).

MR. CHAPLIN (Tory Member for Wimbledon) said :—

“Of course, the Radical Party can't be blamed for the recent rise in the price of bread. . . I at least have no intention of imputing to them broken pledges because the price of bread, which we can none of us control, has risen in the last few days.”—(*Letter in Westminster Gazette, May 31st, 1907*).

SIR GEORGE DOUGHTY (Unionist Member for Grimsby) said :—

“If the Conservative Party had been in office and the same conditions had obtained that obtained this year, bread would have been just as dear under a Unionist Government as under a Radical Government.”—(*Bridgewater, January 8th, 1908*).

There is one way of “controlling” the price of bread, and it is important to notice that the Tories want to take it. This is to put a tax on corn, and **a tax on corn would mean a rise in the price of bread.** When the price rises as the result of causes that Governments cannot control, nothing can be done—“what can't be cured must be endured.” But in the old days of Protection it was found that the Corn Laws made bread dear. Then the people said that “**what can't be endured must be cured,**” and the unbearable burden of Protection was accordingly **cured by the adoption of Free Trade.**

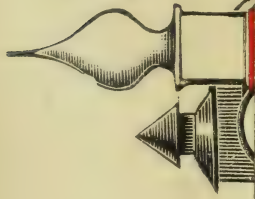
* * * *

To put a tax on corn because bread has gone up in price would be as sensible as jumping out of the frying-pan into the fire.

***And don't forget that Colonial
Preference means a Tax on Corn.***

Remember that the Liberals keep the loaf untaxed, that the Tories want to tax it, and that if it were taxed, the loaf would be dearer still.

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The Lords Signal **STOP!**

Age Pensions.

Stop the Progress

The Lords cry STOP! Why tax the wealthy?
Tax the poor man, not us; or, as Tariff Imposers say:—
Tax the Poor Man's Bread, and spare the Rich Man's Millions.

Vote for **Liberal**
And the People's Rights.

COVER



The Lords Signal **STOP!**

Stop the Progress
of the Nation.

Stop most Liberal Measures of first-class importance.

The Lords stopped the Bill securing One Man, One Vote.
The Lords stopped Popular Control in National Education.
The Lords stopped the London Elections Bill.
The Lords stopped the Scotch Land Bills.
The Lords stopped the Licensing Bill.
The Lords mutilated the Education (Provision of Meals) Act.
The Lords mutilated the Agricultural Holdings Act.
The Lords mutilated the Irish Evicted Tenants Act.
The Lords mutilated the Irish Land Act.
The Lords mutilated the Coal Mines Eight Hours Act.
The Lords mutilated the Housing and Town-Planning Act.

Now the Lords stop Supplies

They want to control the finance of the country—and why?
Their only real reason is that the Dukes and Landowners are
asked to contribute a fair share towards the taxation of the
country—taxation necessary for the country's defence and Old
Age Pensions.

The Lords cry STOP! Why tax the wealthy?
Tax the poor man, not us; or, as Tariff Imposers say:—
Tax the Poor Man's Bread, and spare the Rich Man's Millions.

Vote ^{for} the Liberal

And the People's Rights.

THE COMMONS SIGNAL

KEEP THE LINE CLEAR

For FREEDOM and THE PEOPLE!

CLEAR THE LINE!

of the Lords' veto so that the people may not again have a General Election thrust upon them at the bidding of the Peers.

CLEAR THE LINE! The Lords now stop the supplies, and ride rough-shod over the People.

CLEAR THE LINE!

Mr. Joseph Chamberlain, M.P. in 1884, referring to the House of Lords, said: —

"It has protected every abuse and sheltered every privilege. It has denied justice and delayed reform. It is irresponsible without independence, obstinate without courage, arbitrary without judgment, and arrogant without knowledge. Their claim to dictate the laws which we shall make, the way in which we shall govern ourselves, to spoil, delay, even reject measures demanded by the popular voice, passed after due discussion by the majority of the People's House, is a claim contrary to reason, opposed to justice, and which we will resist to the death. The House of Lords has become, so far as the majority is concerned, a mere branch of the Tory Caucus, a mere instrument of the Tory organisation."

CLEAR THE LINE! Mr. Gladstone, in 1894, said: —

"In some way or other a solution will have to be found for this tremendous contrariety and incessant conflict upon matters of high principle and profound importance between the representatives of the people and those who will fill a nominated Chamber."

CLEAR THE LINE! Sir H. Campbell-Bannerman, in 1906, said: —

"It is plainly intolerable that a second Chamber should, while one party in the State is in power, be its willing servant, and when that party has received an unmistakable and emphatic condemnation by the country, the House of Lords should then be able to neutralize, thwart, and distort the policy which the electors have approved. I say with conviction that a way must be found, a way will be found, by which the will of the people expressed through their elected representatives in this House will be made to prevail."

CLEAR THE LINE! Mr. Asquith, in 1908, said: —

"I invite the Liberal Party to treat the veto of the House of Lords as the dominating issue in politics—the dominating issue because in the long run it overshadows and absorbs every other."

CLEAR THE LINE!

FOR THE PEOPLE'S SAKE AND TO STOP THE TARIFF IMPOSERS FROM TAXING THE PEOPLE'S FOOD,

VOTE LIBERAL

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LEAFLET No. 2280.]

1/12/09.

[Price 3/- per 1,000

The Financial Effects OF THE Rejection of the Budget.

Speech by LORD WELBY in the House of
Lords, November 22nd, 1909.

My Lords, the noble Duke (*Norfolk*) has dwelt very much upon the subtle arguments of the Lord Chancellor. I venture to think the question for noble Lords opposite is not so much the subtlety of argument, but the question of the spirit and the custom and tradition of the Constitution. And looking at it from that point of view I cannot help thinking that noble Lords opposite are probably entering upon a somewhat dangerous course as regards the reputation and position of the House of Lords; and from that point of view I cannot but feel very considerable regret at the line taken by the noble Lord opposite. But there are two questions at issue now apart from the special merits or demerits of the Budget. The first is, of course, the constitutional question which has already been brought forward on various occasions to-night—the constitutional question whether in the words of a not very revolutionary Minister, Lord Palmerston, the Commons are to have the direction of the matter, the manner, the measure and the time of taxation. There are so many noble Lords much more qualified than I am to offer an opinion upon that question that I will not trouble your Lordships by dwelling upon it. But I will ask your Lordships to allow me a short time to examine somewhat closely the financial position which the amendment of the noble Marquess (*Landsdowne*) will create. **There is no doubt whatever about this, that the action of the noble Marquess practically tends to destroy that equilibrium in our finance which is essential to sound and orderly financial administration. The amendment refuses not only all new taxation but it refuses to renew the Income Tax and the Tea Duties, and it refuses to reduce the Sinking Fund. The refusal of those important points in the Budget, the points which are absolutely necessary to provide ways and means at all adequate to meet the necessities of the time, makes the financial situation extremely difficult.** I have observed that the *Times* speaks of that difficulty as somewhat laughable. I cannot help thinking that so powerful an authority as the *Times* shows a certain levity in so dealing with this question. One thing I feel certain of, and that is that the common sense of the nation will repudiate such a view as that, and that they will at all events admit that the situation is grave.

A SITUATION FULL OF DANGER.

On another point also, I am quite certain that the Chancellors of the Exchequer whom I have served under, from Sir George Cornwall Lewis down to Sir William Harcourt, Conservative and Liberal alike, would have viewed this situation with the utmost apprehension and anxiety. The noble Marquess opposite appeared to think some words of mine had painted the situation in a somewhat lurid light. I am sorry to say it is many years since I first met the noble Marquess in public political life. He was serving with Mr. Lowe, and I feel sure that at that time both he and I, in common with our chief, would have felt such a situation as the present full of danger for the future and one which could not fail to excite the greatest anxiety. Will you allow me to enter a little more fully upon the figures of the situation, in order that, if possible, I may make my contention clear? The expenditure of the year is practically £164,819,000. That expenditure includes the full Sinking Fund because, as I have said the amendment of the noble Marquess prevents the reduction of the Sinking Fund. That expenditure is in full course and the last Exchequer accounts published show that up to date the expenditure is very largely in excess of the expenditure of last year at the same date. And anybody with Treasury experience knows when once the programme of the year is settled, when once the Services are being carried out as arranged, economy or saving of any note is impracticable. Therefore, I feel sure your Lordships may rely upon the fact that the expenditure of the year will be very little short of the sum I have named, especially as we have not yet got the ordinary Supplementary Estimates of March, which will rather tend to increase, certainly not to diminish, the sum that I have named.

A VERY SMALL DEFICIT.

When we come to revenue we are thrown back by the amendment of the noble Marquess, upon the taxation in force on the 31st of March last. That taxation would have raised a revenue of £148,390,000 but since that time, on the 5th of April, the Income Tax expired, and on the 1st of July the Tea Duties expired. If you take away from the revenue of £148,000,000 the produce of those two duties, £33,400,000, it leaves you with an income for the current year of £114,990,000. I will add something for increase upon the ordinary income of the year; say it would probably add a million. That makes £115,990,000. You are thus face to face with this, that you will have an income of nearly £116,000,000 and an expenditure of £165,000,000. **The difference between these two sums implies a very grave deficit—a deficit the like of which, I suppose, we shall never find a parallel for in time of peace. It is almost as large as the deficit that occurred in the two years' expenditure on the South African war,** and as far as peace is concerned I think I may say never has a peace deficit amounted to more than about £3,000,000. The Budget which the House of Lords hands back to the Commons consists of the figures I have named, and I do not think they can be modified to any extent. Different authorities have made their calculations independently of each other, and it is worthy of note that all the calculations approach very closely to that sum. There may, of course, be a difference of a few hundred thousand pounds, but nothing to affect materially the position I have placed before your Lordships.

WHAT THE LORDS ARE POWERLESS TO DO.

But if that is the case, **what is the situation as it stands now? Your Lordships hand back that Budget to the Commons. You are from that moment quite powerless. The House of Lords cannot reduce the expenditure by a penny. You cannot add a penny to the taxation, and therefore, as far as you are concerned, you must face the deficit, subject always to what the noble duke placed before us, namely, a General Election taking place.** You may have a new House of Commons in February, and perhaps they may give you a Budget more in accordance with the wishes of the noble Lords opposite. But that does not touch the question of the gravity of the financial situation very closely. The fact of a new House of Commons meeting in February leaves only a few weeks in which to undertake the grave task of a total reconstitution of our financial system. Any measures which are taken can only be *ad interim* measures. In the meantime, though the noble Marquess made light of it, the tea will be brought in free of duty, thereby affecting not only the revenue of this year but also of next year. Anybody who has been at all familiar with the collection of taxes knows that when the machinery is out of gear it means a very long delay. The consequence is that even if a House of Commons is returned in accordance with the opinions which prevail opposite, the modification they can make in the current year will be comparatively small. There will, of course, be a reduction of the deficit of which I have spoken. For instance, they can reduce the Sinking Fund and so forth; but it is not a very material alteration in the deficit. That deficit has to be met from week to week and month to month as the expenditure progresses. The Appropriation Act gives the Treasury power to borrow the necessary money, but it attaches to it the condition that the money so borrowed must be repaid in the following quarter. That very much encumbers the power of the Treasury in the matter. That money must be drawn from the money market, and I need hardly say the deficit, whether it be twenty-five, thirty-five or forty-five millions is a heavy strain on the money market at any time. That is the position in which you stand.

LORD LANSDOWNE'S APPEAL TO THE COMMONS.

But I think the noble Marquess made somewhat of an appeal to the present House of Commons that they might remedy the situation. Well, you are going this week to war with the House of Commons. Can it be fairly anticipated that that House will come to the rescue? Is it not more probable that any measures which they propose for averting the very great evil of such a deficit will be hardly more in accordance with your Lordships' views than those which you are now proceeding to reject? I venture to put it to your Lordships, therefore, that it is very improbable that any measures passed by the present House of Commons will be such as your Lordships will desire, and you may even find yourselves in the position of having to accept such measures as I speak of, or having to face the deficit of that immense amount I quoted. I don't know what your Lordships think but I do not believe that this country is fond of deficits, especially deficits in time of peace, and perhaps it may be deserving of consideration whether an appeal to the country in face of such a deficit would really put your

Lordships in a favourable position for maintaining at all events the questionable right of your interference with the finance as laid down by the House of Commons. I am a very old public servant, and one lesson I learned more than fifty years ago when in the Treasury. What impressed me most was the continuous policy that actuated both Conservative and Liberal Governments—a continuous policy, at all events in time of peace, that the ways and means of the year, the taxation of the year, should cover the expenditure. That has been a canon of our finance which has never been departed from, I am afraid I must say until the present occasion. I believe that that has established the English Treasury in the position of supremacy which it certainly holds among all the financial departments of the world. **I cannot but feel very great regret** that so sound a principle of financial government such as that which I have described should be now set aside and **that in the full time of peace the House of Lords should adopt a policy that lands us in a very great deficit.**

THE DIFFICULTY DOES NOT END WITH THIS YEAR.

Nor does the difficulty end with this year. Next year, we know already, the expenditure will be very heavy. The proposed taxation will hardly meet the demands of next year. It is hardly possible to suppose that extra taxation can be also added to cover the deficit which is handed over from this year to the next. That would involve such a very large amount of taxation that I think scarcely any Government would face it. Your Lordships will be able, without taking so strong a measure as that which you are contemplating, to obtain in the ordinary course of the Parliamentary elections the verdict of the country upon the Budget. If the Budget is unpopular there is no doubt what the verdict will be, and you will then be placed in the position which you are now going to force upon the country. I am afraid the House and the noble Lords opposite have forgotten that most striking letter which the great Duke of Wellington wrote to Lord Derby at the time when he was resigning the leadership of this House on the question of the repeal of the Corn Laws. I will ask the House to allow me to read one extract from that letter which I think is full of wisdom and which applies to all time. The great Duke wrote: "For many years I have endeavoured to manage the House of Lords upon the principles upon which I conceive that the institution exists in the Constitution of the country, that of Conservatism. I have invariably objected to all violent and extreme measures and I have always used my personal influence to prevent the mischief of anything like a difference or division between two Houses. On the question now before the House (*that was the repeal of the Corn Laws*) I propose to endeavour to induce them to avoid involving the country in the constitutional difficulties of a difference of opinion between the two Houses on a question on which it has been frequently asserted that their Lordships had a personal interest, which assertion however false as affecting each of them personally, could not be denied as affecting the proprietors of land in general." I venture to think that those sentiments coming from so high an authority convey a wisdom which I am afraid at the present moment does not find very great favour with the noble Lords opposite.

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FOR MY SAKE?

I don't think!



THE DUKES AND THE BREWERS

**Begged Lord Lansdowne to throw out
the People's Budget—
for the sake of the working classes!**

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Unemployment Insurance.

THE POLICY OF THE GOVERNMENT.

That the Labour Exchanges Act of 1909 will confer a real boon on the working-classes needs no argument. One of the tragedies of unemployment is that a workman may be setting off on long and hopeless quests in search of work that is near at hand, if only he knew it; with the result that, if his quest be prolonged over weeks or perhaps months, he grow dishevelled, weary and enfeebled. The new Labour Exchanges, by putting an end to the demoralising need of hawking labour about aimlessly, will at least do away with that tragedy. But the Labour Exchanges Act is only the first step in a cumulative scheme of social reorganisation which aims both at alleviating the attendant wretchedness of unemployment, and at attacking unemployment itself.

THE NEXT STEP FORWARD.

The next step forward is indicated in the pledge which the Government has given to introduce a measure for insurance against unemployment in the next Session. And their consideration of the measure is so far advanced that last May, Mr. Churchill was able to give in the House of Commons an outline of the scheme.

MAIN FEATURES.

1. The scheme will secure to all workers engaged, in the trades included, definite weekly allowances while unemployed, up to a certain maximum limit. These allowances will carry no stigma of charity or relief.
2. The benefits will be paid from a fund to which both employers and workpeople will contribute compulsory in definite proportions, and to which the State will make a substantial subvention.
3. The scheme will be worked through the Labour Exchanges so that men signing the register for benefit will get at the same time a chance of finding employment.

THE BEST PLAN.

The reasons why the Government have decided against a voluntary system is that experience shows that all such schemes remain very limited in scope and cover but an insignificant portion of workmen in each trade. On the other hand a system of compulsory insurance, without contributions from outside, is unfair to the higher class worker, who would have to bear unsupported the burden of the weaker members of the community. That is why both voluntary subsidised and compulsory unsubsidised schemes have always failed. The Government have chosen the only plan that could deal with any large portion of the problem.

THE TRADES INCLUDED.

The trades to be included in the scheme are, broadly speaking, Building, Engineering and Shipbuilding, with the general labourers working in these trades. These trades have been chosen as they constitute a group in which there are both a constant loss of employment due to casual work and violent fluctuation, "involving a total, absolute, regular, periodical discharge of a certain proportion of the workers." The number of workers brought within the compulsory insurance scheme will be over 2,000,000 adult males, or, nearly one-third of the total adult male population engaged in purely industrial work. Power will be taken when experience has been gained to add to these trades, and in the meantime provision will be made to allow of voluntary insurance in the case of workmen who wish to avail themselves of it.

CONTRIBUTIONS AND BENEFITS.

The details of the amounts of contributions and benefits to be fixed under the scheme have, of course, only been tentatively indicated. But Mr. Churchill has stated that, on the scale which was contemplated, it would be necessary to raise something between 5d. and 6d.—rather nearer 6d. than 5d.—per man per week, and that sum the Government proposed should be made up by contributions—not necessarily equal contributions—between the workman, the employers, and the State. The scale of benefits aimed at would be somewhat lower both in amount and duration than those paid at the present time by the strongest trade unions, but it will be a substantial weekly payment over a period covering by far the greater part of the average period of unemployment in this great group of trades. Insurance cards will be issued, to which stamps are affixed every week; and the worker in an insured trade who loses his employment will only have to take his card to the nearest Labour Exchange, which will be responsible, in conjunction with the Insurance Office, for finding him a job or paying him a benefit. This is the boon which the Government propose to confer, by legislation in the coming Session, on—it may be repeated—2,000,000 adult workers.

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THE SCHEME OF LIQUOR LICENCES PROPOSED IN THE FINANCE BILL.

By **CHARLES ROBERTS, M.P.**

1. The main feature of the new duties on retail liquor licences is the raising of additional revenue of £1,700,000 from the Monopoly Value of licences. This is based on the principle recommended by a Select Committee of the House of Lords in 1879, which is equally applicable to-day. It declared:—

“The effect of recent legislation has been largely to raise the value of this (licensed) property; and it would seem but just that the public should receive a greater portion than hitherto of the profits of a monopoly thus artificially created.”

This principle was adopted by Mr. Gladstone when the licence duties were last revised in 1880. He then said:—

“A considerable authority to enforce the principle (*of the increased duties*) was the excellent Committee of the House of Lords, which had justly observed that a large value had been added to drinking houses in the course of the last ten or twelve years by the direct action of Parliament. . . . Parliament had been busy in building and bolstering up monopolies, in adding to the artificial values which attach to property invested in public-houses. . . . Parliament should lay some tax upon the additional value which by legislation the property had acquired.”

Since 1880 population has increased by 9 millions and the drink bill by 15 million pounds; 5 million more,

gallons of British spirits and 7 million more barrels of beer having been consumed in 1908 than in 1881, but in England and Wales alone there are 10,000 fewer licences; the monopoly is more concentrated, and the values are higher.

TAXING THE GIN-PALACE.

2. The extra revenue is raised mainly by taxing the more valuable public-houses. The broad effect is to leave untouched the country public-houses, but to increase the charge on the gin-palaces of the great towns.

Under the present scale public-houses with a rental up to £50 a year pay from 40 to 60 per cent. of their rental or annual value. Above that limit the percentage rapidly falls till public-houses valued at £700 a year pay only 8 per cent. of their annual value, and above that figure even less.

The present scale is the mere result of historical accident. Mr. Gladstone in 1880 at first did not mean to graduate above £100 in annual value. Then the existence of public-houses with higher annual values was brought to his notice, and as he wanted to raise a little more money, he carried up the graduation to £700 of annual value, where graduation stops, by anomalous and arbitrary steps of £5 for each extra £100 of annual value.

The new plan is to make all public-houses, rich or poor, pay a uniform 50 per cent. irrespective of their annual value, though abatements are provided to prevent unfairness in the higher limits of the scale. Public-houses of above £100 annual value are often the real gold-mines of the liquor trade, and can well afford to pay a higher duty. As, out of 87,049 publicans' licences in the United Kingdom in 1908 50,404 were under £50 of annual value, a large part of the licences will have no more to pay, and at least 5 per cent. will get some remission of taxation.

GRADUATION OF THE BEERHOUSE LICENCE.

3. Another source of revenue is found in graduating the duties upon on-beerhouses. The sum they pay may have been proper when anyone could get them practically for the asking. Now that they are restricted in number, they have developed a monopoly value. The average cost of the beerhouses which received compensation on extinction in 1908 was £926, apart from the value of the site and structure. Some beerhouses are of very high value, *e.g.*, at Newport, a freehold beerhouse consisting of two cottages in a mining village, assessed at £30 for the pair, sold in October, 1909, for £6,100. In Birkenhead a beerhouse claimed £7,531 in compensation, and on appeal obtained £4,982 apart from the value of site and structure. The present uniform charge of £3 10s. irrespective of value is seen to be absurd. It is ludicrous to argue, because the State in 1869 left some of these beerhouses certain special privileges, that the State cannot levy a toll on the value which its protection confers upon these houses.

MINIMUM DUTIES IN URBAN AREAS.

4. Since 1872 a minimum rating qualification, entailing a minimum licence duty, has been required for the grant of any new on-licence. It is now provided that minimum licence duties graded also according to population, should be chargeable for all on-licences, new and old. The minimum in country districts is not appreciably raised; but in urban areas it will vary from £10 to £35 for public-houses, and from £6 10s. to £23 10s. for on-beerhouses. This will prove an economic check to the number of licences where there is little accommodation or where the demand does not justify their existence. It will provide additional revenue drawn from a class of house the existence of which entails cost to the State. The scale is extremely low as compared

with the minimum rates in some American states. Even allowing for difference of taxation on beer and spirits, the duty of £200 required for a full licence in Massachusetts, alike in town and country districts, is a far higher minimum than the new scale. In London the minimum duty payable for a fully licensed public-house will be £35 per annum : it may be noted that the average payment, exclusive of site and structure, for such houses in London, when extinguished subject to compensation, in 1908 was £3,437.

THE NEW BASIS FOR LICENCE-DUTY.

Instead of basing the licence-duties on the annual value or gross rent of the premises, the duties are in future to be based on "Annual Licence Value," or the difference in the real rental value, properly ascertained, of the premises with and without a licence.

In this way the duty will fall on the basis of alcoholic trade done, not on the site, bricks, and mortar of the premises. It is in reality the same basis as that on which compensation is calculated under Mr. Balfour's Act of 1904. At that date Mr. Balfour declared that we ought to tax and compensate on one and the same basis. His Act, he said, "followed the dictates of eternal justice." When the Government in the Finance Bill accept his own precedent, this very basis of "eternal justice" is denounced as confiscation and robbery.

The basis of Annual Licence Value is adopted at once for hotels, restaurants, and the most valuable public-houses ; it remains to be adopted, as soon as the necessary re-valuation is complete, as the basis for all public-houses in future Budgets.

EXAGGERATIONS OF THE DUTIES.

As has been stated, there are abatements and reductions from the full public-house scale of licence duty in the case of hotels, restaurants, and public-houses with annual values above £500.

All the hard cases quoted by the liquor trade, *e.g.*, by Messrs. Whitbread and Buxton, or the cases of the Meux and Cannon breweries, have expressly ignored the special rates provided for this class of house. That is admitted in the notes on the Finance Bill circulated to M.P.'s by the liquor trade.

One illustration may be given. It was first said by Mr. Fell, M.P., that Whitehall Court, a large block of flats rated at £23,727 per annum, and holding a full public-house licence, would have to pay £5,931 per annum in licence duty. When this was shown to be wrong, it was said later that the duty would be £790 per annum. The Rt. Hon. Herbert Samuel, M.P., proved on October 27th, 1909, that the real licence duty would be £250.

INCIDENCE OF THE DUTIES.

These duties are charged first on the licence-holder, but they are meant to fall on the monopoly values of licences ; and these under the tied house-system are in the hands of the brewers, spirit merchants, or others, to whom the houses are tied. It is therefore provided, (Clause 46) that in spite of any agreement to the contrary the publican may deduct or recover the increased licence-duty, in whole or in part, from the person to whom he is tied for his liquor. The amount to be deducted may be settled by agreement ; and, if not, the Revenue Authorities decide in what proportions the amounts should be divided according to the benefit each obtain from the licence. The publican with the ordinary three or six months' agreement will be able to deduct the whole of the increased duty.

This tax is not a tax on consumers of drink in public-houses. It is a tax on the monopoly value of the licences, *i.e.*, on the value of the special privilege of selling drink.

UNEMPLOYMENT.

It is said that the taxes will be so heavy that some licensees will lose their employment. It must be

remembered (1) that the 50 per cent. scale for public-houses will scarcely increase, and in 5 per cent. of the total will lower, the taxation on the houses under £50 of annual value. And (2) that the working of the tied-house system in 1907 involved 16,743 transfers of licences out of the total of 97,554 on-licences held in England and Wales. There is a continual flow of tenants through the houses, and in any one year there are sixteen thousand vacancies for any publicans who may lose their job.

OFF-LICENCES AND CLUBS.

The increase of the duties is spread over all branches of the trade. Off-licensed holders contribute a moderate extra amount, and the new duties, much simplified, are graduated according to the value of the premises.

Clubs where drink is supplied are also called on to contribute 6d. in the pound on their purchases of liquor. The amount works out at about 9d. per club member per year. In view of the fact that clubs have no monopoly value, and no right to sell to the general public, it would not have been fair to charge the club with the same rate as in the case of licensed premises.

THE CHARGE OF TACKING.

It is said that the imposition of these licence duties is really the old Licensing Bill of 1908 in disguise, and that the Lords are justified in throwing the Bill out on the ground of "tacking", *i.e.*, that the Bill contains matters that should not be included in a Money Bill. But in truth the whole of the licence duty clauses of the Finance Bill are strictly according to precedent, in fact the line between licensing legislation and the taxation of licences for revenue has been drawn much more strictly in the present Finance Bill than on many previous occasions. During the discussions in the House of Commons the Speaker and the Chairman of Committees ruled out of order several points, suggested sometimes by

temperance reformers and sometimes by the liquor trade, as beyond the proper scope of the Bill. The charge is sometimes supported, first, by pointing out that the clauses regulate the quantities of liquor that may be sold ; but the excise licence has hitherto always been a licence to sell in specified quantities. The regulation of the amounts of liquor that may be sold under any particular licence has hitherto been contained in Money Bills.

The second statement sometimes used to give colour to the charge of tacking is that a new valuation of licences for the purpose of licence duty is introduced. The precedent, however, for that is in the revenue Bill of 1880, which imposed the existing Licence Duty, but which also established, specially for Ireland, a different basis of valuation on which the Licence Duty was to be paid. In fact, these licence clauses are clauses to raise revenue of £1,700,000. Any provision not strictly relative to the raising of that sum was ruled out of order during the discussion in the House of Commons ; and the ancient standing order of the House of Lords only protests against "the annexing any clause or clauses to a Bill of aid or supply, the matter of which is foreign to and different from the matter of the said Bill." Nothing in these licence clauses is "foreign to or different from the matter of the Bill."

REVENUE, NOT REVENGE.

It is said that the raising of the licence duties is due to revenge for the loss of last year's Licensing Bill. Last year the Tories said it was improper to deal with the problem of monopoly value in a Licensing Bill ; it should have been reserved for a Finance Bill. This year they say that the Finance Bill must not deal with monopoly values of licences ; this they now say can only be properly dealt with in a Licensing Bill.

The best answer is that the increase of the licence duties has been recognised as fair long before last year's

Licensing Bill. Mr. Ritchie in 1888 proposed to give power to increase the publican's licence duty by 20 per cent.

Sir M. Hicks-Beach (now Lord St. Aldwyn) in 1903 said there were "many anomalies and inequalities in the scale" :—

"The present scale of licences was utterly unfair on the smaller houses as compared with the bigger houses; and he thought the bigger houses could very well bear additional taxation in that way."

In 1904 in answer to the Archbishop of Canterbury who had suggested the levy of higher licence duties, Lord Salisbury said in the House of Lords :—

"The Right Rev. Prelate says that, notwithstanding this, we might very properly increase the duty that is levied. He may be right. It will always be open to the other House of Parliament to increase the duty on the liquor trade, if they think it right and fair and proper."

The following defence against the charge of vindictiveness was given by the Prime Minister on October 26th, 1909:—

"For years and years past we have stated quite independently of any reform in our licensing laws that the present scale of duties as applied to licensed houses is wholly indefensible. . . .

"Last year, wishing as we did for a comprehensive settlement of our licensing laws, we proposed to defer the right of the State to resume that monopoly value for a fixed term of years, allowing it in the interval to continue to be enjoyed by those who are at present licence-holders in consideration of the enormous and beneficial change which we believed they would bring about in the conditions of temperance. . . .

"Our proposals for deferring for a long period the possibility of resorting to these sources of revenue having been deliberately rejected, we are perfectly entitled now as a matter of fiscal expediency and justice to demand from the persons to whom the State has granted as a privilege the valuable monopoly, that they should in the shape of additional taxation render something more like an equivalent return for the privileges they enjoy."

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THE LORDS AND THE CONSTITUTION

WHY THEY OUGHT NOT TO HAVE PUT IT IN THE MELTING POT.

Some of the weightiest arguments against the unconstitutional rejection of the Budget by the Lords have come from distinguished peers, who are either not Members of the Liberal Party, or not favourable to most of the provisions of the Finance Bill. These peers, in the words of the Archbishop of York, say "they would prefer the passing of a bad Budget which they disliked to any tampering with a fundamental principle of the Constitution."

LORD CROMER (British Agent and Consul-General in Egypt, 1883-1907) said :—

"The real issue is not whether, collectively or individually, we think this Budget good, bad, or indifferent, but whether we are justified in taking the very grave step of referring the matter to the decision of the nation. . . . My Lords, in view of the extreme gravity of the question, which rises in importance far above that of ordinary party issues, I have—like, I do not doubt, others of your Lordships—endeavoured to form a calm, dispassionate, and independent judgment on this subject, unswayed by outside influences, and the result of my deliberations, which I state with great and unfeigned regret, is that in spite of the cogency of the arguments advanced by the noble marquis (*Lord Lansdowne*), I am unable on this occasion to follow him into the lobby The main consideration which has weighed on my mind in coming to this conclusion is one to which I do not think adequate attention has been paid in the course of the recent discussions. . . . My Lords, it cannot be doubted that the result of throwing out this Bill will be to produce acute and prolonged dissensions, for it will almost oblige even the most moderate members of the Liberal Party to engage in a ceaseless

agitation in order to secure a material alteration, not merely in the composition, but in the functions of the Second Chamber. . . . I have come to the conclusion . . . that objectionable as the Budget is, we cannot reject it without incurring other and more formidable risks than would be involved in its adoption.”
—*House of Lords, November 23rd, 1909.*

LORD ROSEBERY (Prime Minister, 1894–95) said:—

“I cannot be more hostile to the Budget than I am, but I am not going to imperil the fortunes of the Second Chamber by my opposition to it. . . . We must all be aware—and if we are not aware of it then we neither listen to nor read what is said and written—that the hereditary constitution of this House does lend itself to effective, even if it be unjust, satire and criticism when the merits of this House come to be discussed by the electorate. . . . I honestly confess—and I think your lordships will allow me to say that I have been urging that reform in and out of season—that I do apprehend the result of an appeal to the country on an unreformed hereditary Second Chamber, mixed up with the promises of the Budget. I doubt whether you are choosing the best battlefield on which to risk the attributes and perhaps the existence of this House. . . . You should think once, you should think twice and thrice, before you give a vote which may involve such enormous constitutional consequences.”—*House of Lords, November 24th, 1909.*

LORD BALFOUR OF BURLEIGH (Secretary for Scotland in the two Tory Administrations, 1895–1903) said:—

“It is absolutely true that this House has never, in so many words, abandoned its control over finance, but it is also equally true that long usage has made the House of Commons supreme in two matters. It is admittedly supreme in its control of the Government of the day and in its control of financial matters. These two things go together and they cannot be separated. . . . We may not like to admit that practically the other House is supreme in these matters. . . . But I am arguing from the facts as they appear to me and as I believe they, in essence and in truth, are admitted by every constitutional lawyer. But it is said, ‘Oh yes, the House of Commons is supreme, but the people are supreme over both Houses of Parliament, and the motion of the noble marquis is in effect a referendum upon finance.’ I venture to say, and I say it with some confidence, that whatever may be the advantages and recommendations of a referendum it is impossible as a matter of practice in financial matters. Finance differs from all other legislation in this respect. If a Bill is rejected either by a vote of this House or by disagreement between the two Houses, the *status quo* which existed before the Bill was proposed survives and remains. It is not so in finance. If you are to establish a system whereby this House or any other authority had the right of establishing a referendum as it is called—a reference to the people in matters of finance—you would spoil and destroy the control of the other House of Parliament over the Government, and you would make, I venture to say, perhaps the most momentous change in the Constitution, as it has grown up,

which has been made in the whole history of that Constitution.

Take it how you like, if you pass this resolution, if you make it a precedent—I care not with what safeguards you accompany it, whether you say it is only to be done on extreme occasions or by any other safeguard—you have made a change in the practice and in the Constitution which will present things going on as they have gone on up to the present time. My lords, if you win the victory it can at most be a temporary one. If you lose you have altered and prejudiced the position, the power, the prestige, the usefulness of this House, which I believe every one of you honours and desires to serve as heartily and as thoroughly as I do myself. If you win you are but beginning a conflict. Should I say beginning a conflict? **You are re-making a conflict which has gone on from year to year and from century to century until the House of Commons has attained the position which I suggest to you it enjoys by usage at the present time.**

—*House of Lords, November 25th, 1909.*

LORD JAMES OF KEREFOOD (Chancellor of the Duchy of Lancaster in Lord Salisbury's Administration, 1895–1902) said :—

“What is the subject with which we are dealing? We are dealing with the Budget Bill, which relates to the supplies of the year. Your lordships should bear in mind that this grant is given in response to an appeal from the Crown, and it is not to us, but to ‘the gentlemen of the House of Commons’ that the request is made and the thanks are given for the aid and supplies. It is to the Commons alone that the Crown says, ‘I ask you to give me aid and supply;’ there is no appeal whatever made to this House. At the end of the Session, when the prorogation takes place, the thanks of the Crown are given to ‘the gentlemen of the House of Commons’ in this form: ‘I have to thank you for the generous supply you have given;’ but there is nothing in the Constitution showing that the thanks of the Crown should be given to the House of Lords. There is one other fact to be noted. The practice of this House is, when a Bill is read a third time and passes into the custody of the Clerk of Parliaments, it is retained in his hands until the Sovereign, by himself or by Commission, gives assent to it. But in respect of two Bills—the Finance Bill and the Appropriation Bill—the Commons, to the knowledge of this House, have asserted their privilege and right to deal with them alone. **My lords, we have admitted that custom to be a correct one, and how can it be said that we are upon an equality with the other House in relation to those two Bills when our own officer will not be entrusted with them because they are Commons Bills and not House of Lords Bills?**

“... Now, my lords, you claim the legal right, the actual right, to reject this Bill. If this rejection is within your competence, it has been for centuries equally within your duty. If Bills were bad they ought to have been rejected according to all the arguments we hear now in support of this motion. If it was not only our right, but our duty, as we are told, for the sake of the public, to have rejected them if they were bad, why is it that our duty for centuries has never been fulfilled? Is not the alternative either that our constitutional duty could not have been performed or that we have neglected, in behalf of the State, to do what we ought to have done?

I am happily relieved from expressing any opinion on the contents of the Bill, but my silence must not be taken as indicating that I am in favour of some of its provisions. . . . I say this House is at once estopped from acting because of insufficient power. What does the House of Commons base their budgetting power upon? They base it upon estimates. They estimate what is wanted and they get information as to what is required for the State service from the various public departments. What power has this House to form any estimate? We can get no estimate, and we should not have the slightest idea what to budget for. All this places us in a position of great difficulty. You try to escape the difficulty by saying this is an exceptional Budget in the sense that it contains so many things. I quite concur with the doctrine with regard to tacking, but that does not arise here, for you have not objected to this Bill on the ground of tacking. The noble viscount says the amendment is not rejection at all, but if you postpone the Bill for three or six months or until a general election it is equally rejection. Lord Lansdowne, I am sure, in his amendment which proposes to submit the Bill to the decision of the electors, does not intend to leave to them the decision whether this Bill offends against the doctrine of tacking or not. . . . **Therefore, we come back to the pure, simple question, Is it within the competency of this House to reject? During the struggle that is coming upon us, there will be many students, many readers who will read out aloud to audiences that the balance, and the conclusive balance, of authority is that there is no competency in this House.**"—*House of Lords, November 29th, 1909.*

LORD ST. ALDWYN (Chancellor of the Exchequer in Lord Salisbury's Administration, 1895-1902) said

NOTHING.

Though as the greatest, perhaps the only authority on finance on the Conservative side, he had always taken part in any debate in which finance was discussed in the House of Lords, on this occasion he absented himself because he could not approve of the course followed by the Leader of the Opposition. His absence was as eloquent as the strongest words of condemnation.

**Remember the testimony of these Peers
to the fact that the rejection
of the Budget is**

**"A BREACH OF THE CONSTITUTION
AND A USURPATION OF
THE RIGHTS OF THE COMMONS."**

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LEAFLET No. 2286.]

9/12/09.

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GOOD BUSINESS!



THE SQUIRE: "So you've got to pay a penny a week more for your tobacco, Tom! How d'you like that?"
TOM TRUEMAN: "Good bizness, Squire; my old mother has five bob a week pension for life and no workhouse! When did your party do the likes of that for us? Good day, Squire, Good day, Miss Primrose."

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10/12/09.

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LEAFLET No. 2,287]

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A VERY PROMISING LOT!



TORY ELECTIONEERER: "So you've got a nice Holding of the Liberal Small Holdings Act? Ah! but if we had got it for you it would have been Cheaper and Better and Sunnier and all that sort of thing I promise you."

TOM TRUEMAN (A Small Holder): Oh yes, I know! You and your lot always were clever at promises, more promises than anything else.

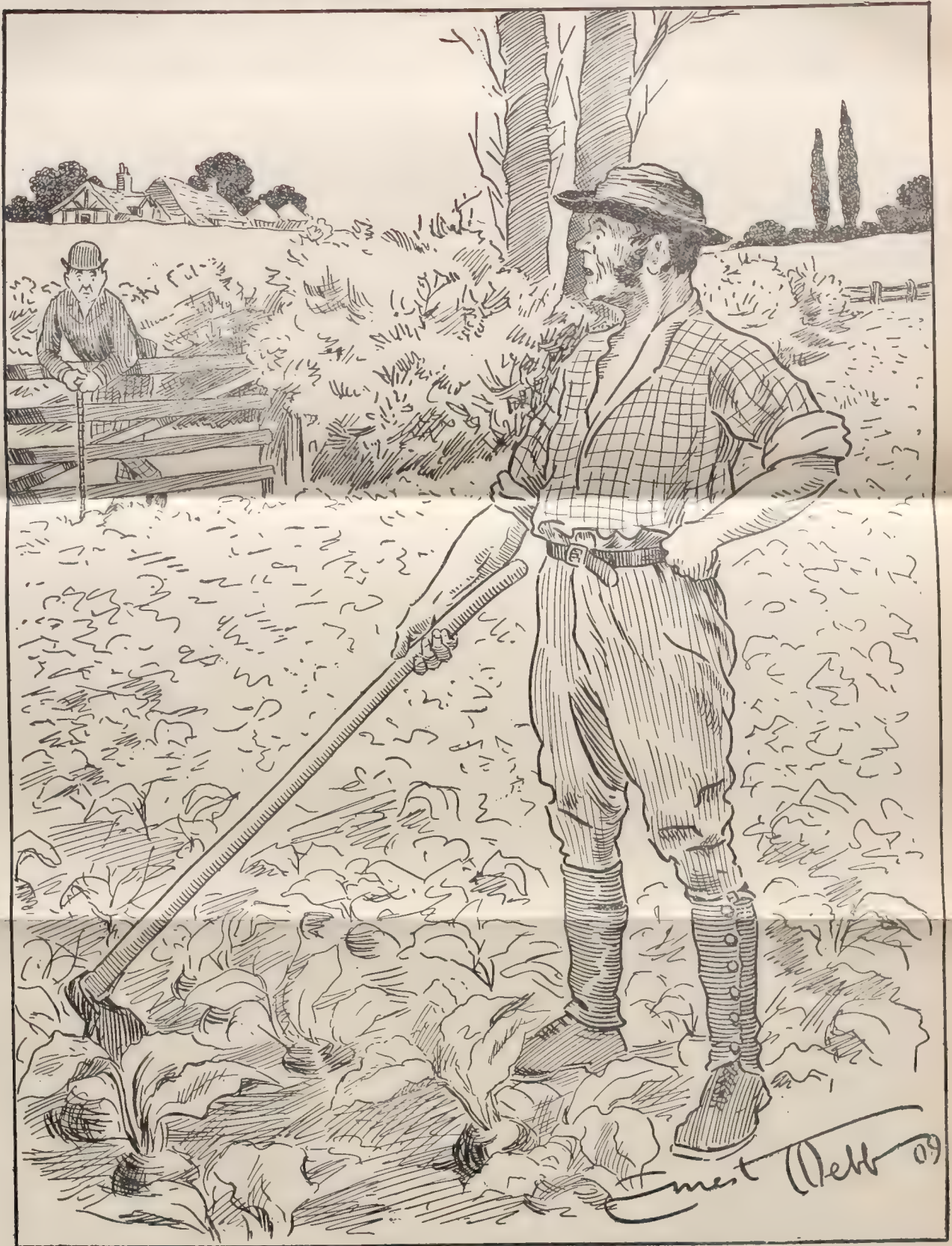
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10/12/09.

[PRICE 4s 6d. PER 1,000.

Why an Archbishop says

The Lords Ought Not to

Have Rejected the Budget

[*From a Speech by the Archbishop of York in the House of Lords on November 30th, 1909*]

I can honestly say that no man could have approached this matter with a more open mind, and it is merely the course of your lordships' debate which has convinced me that I have no other course but to join with those of your lordships' House who deplore the amendment of the noble Marquis (*Lord Lansdowne*). . . . I have not heard arguments sufficiently persuasive to prove that the Budget is bad enough to justify the unprecedented course which the noble Marquis has commended to this House. *We cannot escape from the fact that this is an unprecedented course. Never before has this House rejected a Finance Bill sent up by an overwhelming authority from the other House.*

* * * * *

There are signs—not so much in what is being said in this House as in what is being said by those who support the noble Marquis (*Lord Lansdowne*) in the country and in the Press—that the weight of this contention, that the course recommended is unparalleled, does not heavily press upon their minds. There are indications of an attitude which says, "If this has never been done before it is high time it should be done now" . . . *Precedent is the very basis of our Parliamentary system.* It is the only bulwark which we possess against the encroachment of these sudden impulses, however strong and natural, which, if they were unchecked, would make the working of an unwritten Constitution impossible. *But there is more here than precedent. There is surely a principle behind the precedent essential to the working of the Constitution.*

* * * * *

There are some who think comparatively little interest is or will be taken in this constitutional question. Lord Newton in his entertaining speech said it was a subject of interest only to professors and dons and persons who write letters to the *Spectator*. I do not know much about the thoughts of these superior persons, but I do know something about the thoughts of the ordinary man,

and I am much mistaken if it will not be proved that the constitutional question is one which not only interests but will profoundly stir the people of this country.

* * * *

It is asserted, I imagine, my lords, that the provisions of land valuation in this Bill involve tacking. But I ask myself are they foreign to the Bill? I am reminded that Mr. Mill, . . . in justifying the taxation of increment value, said: "The very first step to be taken would be the valuation of all the land in the country." *I find it difficult to believe that procedure for assessing a tax is foreign to that tax itself.* Again, it has been argued with great ability that the duties on the liquor licences involve tacking, and that they bring in by a back door something which your lordships have already dismissed. But is there any similarity between these duties and the Bill which was rejected? It is one thing to say, as the Bill did, that licences should be automatically reduced and that after the expiration of the time limit the State should resume the full control. It is not the same thing but a quite different thing to say that additional duties should be placed on the licences. My lords, these duties may be wise or unwise, that is a question which I am not competent to discuss; *but can it be beyond the province of a Finance Bill to add to existing licence duties?*

* * * *

I find it difficult to believe that a tax which, as long ago as 1848, received the special sanction of John Stuart Mill can be described as exceptionally revolutionary in its character. . . . *At least it has been widely acknowledged that the time has come when additional burdens should be laid upon this special source of wealth,* and I feel that words have somehow got out of relation with facts if the application of that principle in the Bill is described as involving a revolution in finance.

* * * *

I cannot but feel that the effect of the amendment if carried will not only be gravely to endanger the claim of this House to control legislation, but also that it will be to disturb, it may be for a long time, that balance of the estates of the realm on which the orderly government of this country depends. It would mean—would it not?—dislocation of trade and commerce, which certainly would not allay, but might increase, those tendencies to which noble lords have so impressively referred. It would mean the postponement for a long time of those social reforms noble lords on both sides of the House ardently desire. These risks, my lords, are hovering over this House. Is it wise by the summons of the noble Marquis's amendment to challenge them now?

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A BOAST

AND

A CLAIM.

THE LORDS BOAST

That they Own One-third
of the United Kingdom.

THEY CLAIM

To Rule the Whole.

SHALL THEY ?

The Way Not to Let Them is to

VOTE LIBERAL.

What the Grocers Think of the Lords and of Tariff Reform.

[Extracts from articles in the GROCERY WORLD of November 27th and December 4th, 1909.]

There are occasions, fortunately very rare, when the GROCERY WORLD is justified in departing from the rule it invariably observes of never dabbling in Imperial politics, for it rigidly confines itself to the interests of those engaged in the trade it represents. The present is one of them. Within the past week there has been forced upon the nation a question which overshadows all others in point of importance. It is whether a legislative chamber, notorious for the absurdity of its composition, the senility of its members, and the arrogance of its acts, shall be permitted to dictate to the House elected by the nation the methods by which it shall raise the money necessary to cover the nation's expenditure, and impose upon the people of the country a fiscal system which, by an overwhelming majority, they have condemned as destructive to their commerce, and imperilling to their liberty, a system which, by resolution, the Federation of Grocers' Associations of the United Kingdom—the great organisation which voices the opinions of all sections of the grocery trade—condemned by an almost unanimous vote in the very city where it had its origin—Birmingham.

THE LORDS MEAN TO TAX FOOD.

We do not mince matters. The resolution proposed by Lord Lansdowne aims at nothing else than the taxation of the food of the people. That has been admitted by the mover himself and those who support him. Now, food cannot be taxed without the grocery man's business being taxed. If a General Election is forced upon the country on this question, the duty of every grocer and provision dealer is perfectly clear. He must smash Tariff Reform. If he does not, he as a business man, may be smashed.

"THINK OUT WHAT PROTECTION REALLY MEANS."

The counsel of the GROCERY WORLD to all sections of the trade in the United Kingdom is that they should well study every phase of the subject that will be forced upon their attention in the coming political struggle. Ridding their minds of all bias in favour of this

or that party, let them think out for themselves what protection will really mean, first to them as business men, and secondly to the millions of people whose daily wants they supply. There are hundreds of grocery establishments in the United Kingdom which were in existence in "The Good Old Days," when all articles of grocery cost several times more than they do to-day. Let the owners of these establishments ferret out a few of the old ledgers and ascertain for themselves whether the days of their fathers were as good as many people describe them. In short, let them study their trade and its wonderful ramifications. The more they do so the more convinced Free Traders they will become. (GROCERY WORLD, NOVEMBER 27th, 1909.)

PROTECTION OR FREE TRADE—WHICH?

This is the problem the country will be called upon to solve within the short space of five or six weeks. The rejection by the House of Lords of the most popular Budget of modern times is more than a blow struck at the very foundations of Representative Government. It is an ill-conceived attempt on the part of an irresponsible body to resuscitate in this country the principle of Protection, which the late Lord Beaconsfield once said was not only dead but eternally damned, and make it take the place of the existing economic system of Free Trade, to which great Britain owes its pre-eminence among the commercial nations of the world. The question at issue is pregnant with importance to the food distributors of the country. It is one on which there can be no compromise, no sitting on the fence, on the part of those in whose interests this journal is published, because it involves their very existence as business men. Tariff Reform, which spells Protection, is the enemy of the individual trader, the very dear friend which the Trust magnates hug to their breast. This is no mere empty assertion. It has foundation on fact. (GROCERY WORLD, December 4th, 1909.)

Your Grocer isn't taken in by any foolish twaddle about the foreigner paying.

He knows that under Tariff Reform he will have to pay the wholesale dealer more.

To make a profit, he must, of course, charge you more.

YOUR GROCERIES, THEREFORE, WILL COST YOU MORE.

STICK TO FREE TRADE AND VOTE LIBERAL.

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LEAFLET NO. 2291.

12/12/09

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HOW THE LITTLE-ENGLAND TARIFF REFORMERS HARM THE TRADE OF THE COUNTRY

WE used to hear a great deal from the Tories some time ago about "Little Englanders" who, as a fact, never existed. To-day, however, we have among us, people who really deserve the name of "Little Englanders." These are the Tariff Reformers, who by their constant, but utterly untrue, talk about "dying industries" do all they can to harm the trade of the country and bring about the very state of things they pretend to deplore. This is the view taken of their slanderous and unpatriotic campaign by the writer of a very remarkable article in the Financial and Commercial Supplement of the *Times* on November 26th.

Why Stock Markets have Drooped.

The article first explains why Stock Markets have drooped, and shows the financial folly of the Lords' attack on the Budget.

"Since the announcement of the terms of Lord Lansdowne's motion made the rejection of the Budget by the House of Lords a foregone certainty, markets have drooped and dwindled in a very depressing and dispirited manner. Some of the more ardent Tories of the Stock Exchange have been much saddened by this spectacle, having conceived that, the fate of the Budget being settled beyond doubt, and that fate being the waste-paper basket, the course of prices ought already to be celebrating in anticipation the triumphant return of Toryism to office, and the consequent burial of all the bogies and bugbears that have so long disturbed the peace of markets. **But the public thought otherwise.** Any bull account that it had open it at once began to close and continued to do so, until there seemed to be very little bull account left, and markets were so thoroughly swept and garnished that prices could not tumble any more, for the time; and the investment buying by bargain hunters, which a high Bank rate had as usual produced to a very moderate extent, was largely stayed, since investors began to wonder whether they might not have still more fruitful chances later on."

Who Drives Capital out of the Country?

Referring to the question of the "undoubted unpopularity of home investments, on which politicians very naturally base inferences adverse to the party in power, saying that it is frightening capital out of the country, depreciating British credit, and generally doing everything that a really sensible and patriotic party would use its utmost endeavours to avoid," the writer shows that the real culprits who are crabbing British trade and credit are to be found in the other camp: **"When Mr. Chamberlain determined to alter the fiscal system of**

these islands, he thereby found it necessary to maintain that British industries were dying; that if our present system is maintained, disaster and destruction must be the ultimate fate of the Empire. The tune that he performed so ably has been repeated with variations by the whole host of his lieutenants and followers, and a chorus of Cassandras has sung our approaching doom in crashing and crushing harmony. The investing classes, being largely in sympathy with the party which has adopted tariff reform, takes all that it hears about the inevitable doom of the country as literally correct, naturally begins to prefer to put some of its money abroad, and so one of the causes of the comparative unpopularity of home investments arises from the necessity with which one of the great parties is faced, of proving that we are on the road to irretrievable ruin.

"Since the present Government came into office the Cassandra chorus has redoubled its efforts, convicting the Administration of all the crimes in the calendar and making our flesh creep with all the horrors that must follow if it is allowed to work its wicked will."

The Tolling of the Passing Bell.

Yet the writer in the *Times* refuses to toll the passing bell for our country's financial greatness, on the excellent ground that **there is no corpse** :—

"Such is the prestige of home investments, impaired but still so pre-eminent, that they remain to a certain extent a fancy article, the holding of which involves some sacrifice. As other countries develop their resources and acquire political stability their securities inevitably gain attractions which the British capitalist, harassed by a high standard of ostentation and extravagance into a desire to earn as much as he can on his money, is quick to see. And it may be some consolation to those of us who are not compelled by political exigencies to toll the passing bell for our country's financial greatness to remember that quite reasonable economic influences have had something to do with these quite natural happenings."

**Pay no heed to the "Cassandra Chorus"
of Little Englanders who harm our
country's trade, but**

VOTE FOR FREE TRADE
WHICH HAS MADE IT THE BIGGEST
IN THE WORLD.

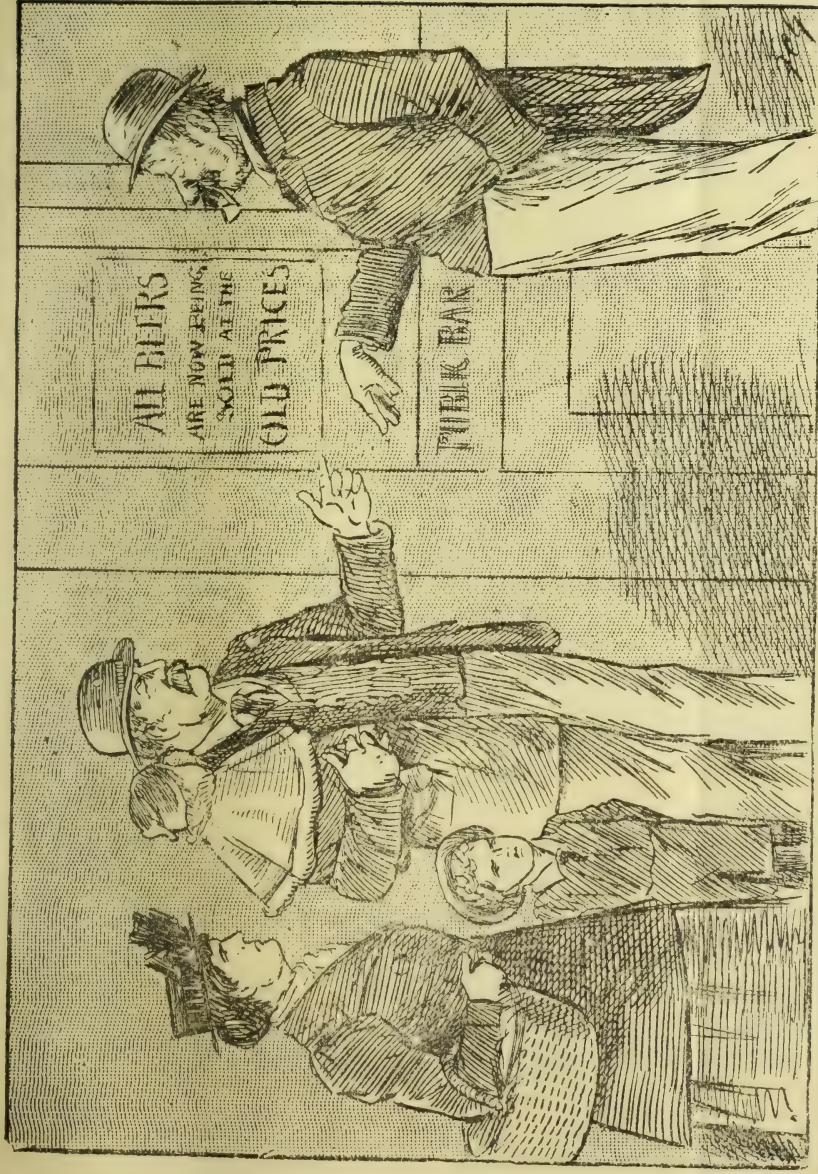
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[Price 3s. per 1000.

DIFFERENT POINTS OF VIEW.



BERRY ONE: I'm goin' to vote Tory! Cheap beer and cheap haccy!

WORKING MAN: Yes, and dear food! I'm going to look after the Missus and the Kids and vote Liberal!

[From the WESTMINSTER GAZETTE.]

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LEAFLET No. 2293.]

14/12/09.

[Price 2/6 per 1000.]

WHY THE BISHOP OF HEREFORD SUPPORTS THE BUDGET.

**Extracts from a Speech in the House of Lords
on November 25th, 1909.**

If we who are Bishops have any special function at all in this House, I venture to think that it is that we may speak and vote here on behalf of the multitudinous poor whenever occasion arises—a part of the population which is very numerous and which is not largely represented in this place. I hold that one of the chief functions of a Bishop here is to be, according to his reasonable convictions, the advocate and the procurator of those poorer classes whom he represents more especially than any other Member of the House.

* * * *

I support the Budget for a very simple reason; because, as was very well stated a few days ago by one whom I consider our greatest living political economist in England, it is a **“Social Welfare” Budget and based on sound finance.**

* * * *

You cannot expect an educated democracy and their leaders to remain content with the survivals which represent the present constitution of our society. You must recognise that in connection with this growing intelligence and knowledge there is a growing sense of impatience, and a democracy under those circumstances, if you rouse its spirit of revolt and stimulate it by such opposition as you are giving, may become very dangerous. That is what I dread as one of the results of this action. **That is why I wish this Budget to be passed in the usual way, as a protection and safeguard against the spirit of revolution . . .**

* * * *

As to Tariff Reform I am old enough to remember what men called “the hungry forties” in the North Country where I was brought up. It is engraven in my memory what a dismal and wretched time it was for the poorer people in this country, and not only for the labouring classes but for the farmers and many others. I desire not to see again anything like that.

If a majority of the electors of England were as old as I am, and had the same memories of that dismal and wretched time, there would be no Tariff Reform. But I venture to say with regard to Tariff Reform, which is but a new name for the old Protection, that it is a gamble with the necessities of life. I would challenge any noble Lords opposite to say that there are not two fundamental objections to it. One of these objections is that while no doubt it will make many of the rich richer—the gospel of the millionaire—yet it will sink the poor into deeper poverty. All experience shows that when you look into it. And the other objection is this, as experience again teaches us if we choose to read contemporary history, it will honeycomb our political life with intrigue and corruption from which it is now happily free.

* * * *

In this House we are too apt to forget the people of England outside, but can any of us really imagine that the people of England will forget, that they are so degenerate as to forget, the great historical struggles for their fundamental liberties, and above all for the liberty and the power of the purse which cost so much and which we have long held so dear? Can you imagine that these people at the present time are at all likely to forget, or are in any degree likely to surrender, these fundamental liberties under the thin disguise, the very thin disguise, of such a phase as this Amendment?

* * * *

No, my Lords, you may send this Budget to the country; but, living among the people, having grown up among the people and come out from among them, I have some knowledge of their fundamental feelings and ideas; and my belief is that the answer will come back to your Lordships in very plain English, and I fear it may come in some form which you may regret. The answer will come, I think, something like this:—“Never again, never again, in this country shall the fundamental liberties of the people be endangered by any privileged class.” It is not the answer I fear when I regard with something like dread your Lordships’ action, or proposed action. It is not the answer that I fear so much as the storm and the tumult and the class antagonisms and the strife and the bitterness for which you are making yourselves responsible to-day.

SMALL HOLDINGS.

THE LIBERAL RECORD.

Mr. Ellis Barker and Sir Gilbert Parker have started a new Tory cry in favour of small ownership and have obtained Mr. Balfour's blessing. They are, therefore, trying to make out that the Liberal Small Holdings Act passed in 1907 has been a failure.

This is an extraordinary misrepresentation. The Act came into force January 1st, 1908, and the first six months were almost wholly taken up with preliminary investigation and enquiry. Since then the progress made has been remarkable :—

Land acquired by December 31st,

1908	...	...	...	...	21,417 acres.
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Land acquired January 1st, 1909—

November 20th, 1909	...	...	41,172	..
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Total	...	...	<u>62,589</u>	..
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At the present time land is being acquired at the rate of about 1,000 acres a week.

In addition to the land acquired through County Councils, a large amount, estimated at 10,000 acres in 1908 alone, has been provided by landowners direct.

It is, therefore, safe to say that by the end of 1909 considerably more than 80,000 acres or 125 square miles will have been acquired for Small Holders as a result of the Small Holdings Act.

Even this amount does not of course meet the full demand, for over 13,000 applicants for Small Holdings were approved as suitable in the first year, and about 185,000 acres will be required before they are satisfied. And as the demand is met, many thousand further suitable applications may be expected, for many men are naturally waiting at present to see whether their friends obtain holdings.

Thus some years of further steady progress are necessary before the work of the Act will be anything like complete.

To some this may seem disappointing, for they expected that everyone would get holdings all at once. But really if we look at the good reasons why the process of getting suitable land must

take considerable time, we shall see that the progress made up to date is most creditable. Let us look at some of the reasons which prevent the instantaneous satisfaction of every demand:—(1) In the words of the Small Holdings Commissioners, “**The problem is to fit particular men to particular land, and not merely to acquire whatever land may be in the market, and to offer it in small holdings.**” (2) County Councils cannot let land unless and until they are safe-guarded against possible loss. (3) The recent increase in the prosperity of agriculture has driven up the price of land. (4) Co-operation and education should go hand in hand with the provision of holdings, and there is, therefore, some risk if too many are started straight off, without proper organisation. (5) Some counties have been much slower to act than others, and are only gradually being brought into line by administrative pressure. But even if we can’t all get all we want at once, let us remember these two points:—

1. We cannot afford to disturb the present steady progressive administration at the Board of Agriculture, which aims at seeing that every county makes every effort to provide suitable land for every suitable applicant.

2. We cannot let Mr. Balfour drag a red herring of small ownership across the trail. Men do not want ownership so much as security of tenure at moderate rents; for in England less than one applicant in sixty has wanted to purchase!

We can’t trust the Tories in this matter:—

Their Act, which was based on Ownership, secured less than 900 acres in 15 years and they are just trying on the same game again.

The Liberal Act secures more than 80,000 acres in two years.

If you want further progress in obtaining Small Holdings you must vote Liberal.

THE TORIES AND SMALL HOLDINGS.

The Tory Party are jealous that the Government has done so much to help the rural labourer on to the land, and they are trying to get up a party cry against them. They want to persuade you that it will be better for you to own a Small Holding than to rent it.

Don't be Taken in !

ASK THESE TORIES A FEW QUESTIONS.

Was not the Tory plan tried under an Act of Parliament, passed in 1892, and was it not a complete failure ?

When are you going to own your holding under their plan ? In **Eighty Years' time**. Isn't this rather far off ?

Who is going to own it ? **Not You :** perhaps your baby in the cradle when he is a toothless old man : but probably it would be your **Grandson**.

In what sense would he **OWN** it ?

Would it be his to do what he liked with, to sell to anyone he liked if he wanted to move ? Not at all : he would be tied up in all sorts of ways. His ownership would be what is called "limited ownership,"—that is, not ownership at all.

If it were not, see what would happen. The big landlord could wait till you were hard up and would come and buy you up again.

[OVER.]

Then, how would you be able to buy? You have not, perhaps, much capital. At present you can use all that you have in working your holding. How would you like to have to spend it all in putting down a deposit?

Again, are you sure you really want to be tied down to one bit of land? If you own your holding, you can't move if you want to: you can't rent an extra bit of land from the County Council (as you could now) when your sons are old enough to help you: you can't give up a bit when they leave you and marry.

Suppose that bad times come. You would be all on your own and would be ruined. You couldn't give up your tenancy as you could now.

The Liberal plan is worth two of the Tory.

TORY ACT OF 1892. 881 ACRES ACQUIRED FOR SMALL HOLDINGS IN 15 YEARS.	LIBERAL ACT OF 1907. 62,589 ACRES ACQUIRED FOR SMALL HOLDINGS IN LESS THAN 2 YEARS.
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Don't be Taken in, but
VOTE LIBERAL.

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14/12/09.

[Price 3s. per 1000.

Unemployment.

"IT'S WORK WE WANT."

(1.) Tariff Reform Does NOT Mean More Employment.

During the last two years there has been **bad trade** all over the world. Where did it begin? **In the United States.** Where has it been most acute? **In the United States.**

The *Times*, which is a Tariff Reform newspaper, said that at the beginning of last year **between one-quarter and one-third of all the workmen in the United States were out-of-work.** Now, at the end of 1909, the official figures show that great numbers of workmen in the United States are unemployed. **The United States has got Tariff Reform.**

There is much unemployment in France also. **France has got Tariff Reform.**

The same is true of Germany. The official figures of unemployment in Germany, **which** are most unfairly quoted by Tariff Reformers, seem to show less unemployment there than here. But they are collected on a different basis. The Trade Unions supply the figures; but wages in Germany are so much lower than here, and the cost of living is so much higher, that the German workman cannot afford to pay as much to his Union as the English workman can; so the German Unions which give unemployed benefit are only able to give it for a much shorter time than here. For instance, the German Woodworkers' Union pays unemployed benefit for only 6 weeks; the English Amalgamated Society of Carpenters and Joiners pays for 24 weeks. The German Metal Workers' Union pays for 10 weeks; the English Amalgamated Society of Engineers pays for 52 weeks. So that many men in Germany who **are** unemployed, do not receive unemployed benefit from their unions, and are not **counted as unemployed.** There are other differences. Whenever these German figures are published by the Board of Trade, the public are warned that they cannot properly be compared with the English figures.

Last year a census showed **over 40,000 workers** to be unemployed in the city of Berlin alone, and it was admitted that that census was not complete. It is certain that there is now **much unemployment in Germany.** Yet Germany **has got Tariff Reform.**

(2.) Tariff Reform DOES Mean More UNemployment.

No country can stop importing without stopping exports to the same extent. If you will not buy from the foreigner, the foreigner cannot buy from you. Commerce, in the long run, is exchange. If Tariff Reform cuts off millions of imports **it will stop millions of exports,** which are sent out in exchange. And so it will **throw out of work** great numbers of men and women employed in the cotton trade, the woollen trade, the iron and steel trade, and our other great exporting industries. The effect of this will be felt throughout the country.

[OVER

Besides, **Tariff Reform will raise prices all round**, as it has done in Germany, France, and America. **If things are dearer, fewer can be bought**, because the public cannot afford to buy as many as before. **If fewer are bought, fewer will have to be made**, and so there will be **fewer people employed** to make them.

All the Labour Members in the House of Commons, **without exception**, say that **Tariff Reform will not help the unemployed**, but **will make things dearer** for the public to buy.

(3.) The Budget has not Increased Unemployment.

On the contrary the latest official figures show that there was **twenty-five per cent. less unemployment** in November, 1909, **after the Budget**, than there was in November of last year **before the Budget**.

(4.) The Budget will give Employment.

The Rt Hon. Sir Francis Mowatt, who was for ten years the chief official of the Treasury, says:—

“How will the money raised by the new taxation be expended? **The whole fourteen millions—to the last half-penny—will be so spent as to provide employment for the working classes.** Additional employment in the dockyards or in the ship-building trade, for the increase and maintenance of the Navy. Additional custom and employment for the tradesmen throughout the country, over whose counters will pass the whole nine million of the old age pensioners' allowances.”

(5.) And the Budget Provides Money to Help the Deserving Unemployed.

The Government propose to bring in a Bill next year to set up a great scheme of **Insurance against Unemployment** in the trades which suffer from irregular work. The workmen will contribute (unless they already pay for unemployed benefit from their union), the employers will contribute, and the State will contribute too. That is one of the most **practical** ways of dealing with the question. **The Budget will provide the money** next year for the State's share of the cost.

The Budget provides the money, too, for the **Labour Exchanges** which are now being set up to help men in their search for work. And it provides **£200,000** for grants to help Local Authorities to undertake work this winter to give useful employment.

Besides, the **Undeveloped Land Duty**, when it comes into force, will in future bring land into the building market sooner and cheaper than in the past, and that will **encourage the building trade** and help to give employment to the men who belong to it.

All who are interested in the question of Unemployment, to whatever class they belong, should vote AGAINST Tariff Reform and FOR the Budget.

CONCERNING THE NAVY

BY

T. J. MACNAMARA.

NOTHING has filled me with greater regret than recent attempts in the country to make Party capital out of the Navy. Surely both Army and Navy policy should stand—like Foreign policy—outside and above mere petty party squabbling?

And if I seek to reply to certain criticisms, I write as a man who believes in and loves his country—as a man who desires to see our friendly relationships with the peoples of the world grow more and more cordial, and as a man who earnestly wishes to see the settlement of international differences by peaceful arbitrations—rather than as a mere partisan.

But justice to the Government, my colleagues, and myself, compels me to note and correct certain statements put into circulation recently, as I say, for the purpose of purely party warfare.

Dockyards, Stores, and Shipbuilding.

The Government is constantly charged with a policy of reduction in the Dockyards. As to that, the total of employes in the Home Yards at the close of 1905—when the Government took office—was 27,870. To-day it is 33,931.

Then it is alleged that the Government has cut down expenditure on Dockyard Works, Buildings, and Repairs. Well, in 1905-6 the then Government spent £813,461 under this heading plus £1,015,812 to meet Loan charges under the Naval Works Act—total £1,829,273. In 1908-9 the present Government provided £1,076,668 plus £1,264,032 to meet Loan charges—total £2,340,700. The estimated expenditure for 1909-10 is £1,619,944 plus £1,330,356—total £2,950,300.

Then we are charged with unduly cutting down the expenditures on Stores, ordinary and Naval. On Clothing and Victualling the late Government spent £2,157,427 in 1905-6, whilst the present Government estimate to spend £2,416,800 during the present financial year—the highest figure this Vote has ever reached. As to Naval Stores, the late Government spent £4,905,075 in 1905-6, whilst the estimate for 1909-10 is £4,392,100.

Then as to Shipbuilding, our estimate for 1909-10 under Vote 8 is £15,818,600, the largest amount voted since 1904-5.

The New Construction Vote for the year, included in the £15,818,600, is £8,885,194, the largest since 1905-6.

But more. Of that sum £2,285,770 is being spent in getting under way with the New Programme for the year. In other words, nearly a fourth of the total cost of the 1909-10 New Programme will be met in the present financial year. **This renders possible a speeding-up quite unprecedented in our methods.**

The Personnel.

Then it has been stated that we are not sufficiently mindful of the need to maintain an effective personnel.

Great Britain has 128,000 officers and men, the great bulk of whom are long service, while even the so-called Special Service men and Stokers serve for a period of five years before passing into the Reserve. In addition, the Reserves amount to over 56,000 officers and men.

There is nothing like this in the world. All other Navies are manned by short-service men—with the exception of the United States Navy, in which men enter for four years and re-enlist for further periods of four years—and no Navy has on its active service list a *personnel* **half as strong numerically as ours.**

I have seen the British sailor at work many times during the past two years. I have seen him at battle practice; in the engine-room; in the stoke-hold; at the rifle-butts; in the gunnery-school. I have seen him at work and at play. And, upon my life, when I think of some of the statements of the platform and the press during the last few months, I am almost ashamed to look him in the face!

Take Gunnery alone. Here proficiency has splendidly improved in recent years. No one who is in a position to study the returns of the Gunlayers' Tests and Battle Practice can do other than express the greatest admiration for the progress recently accomplished.

Standards of Strength.

Here criticism against us has been and is most persistent. And especially is a contrast unfavourable to ourselves instituted between our shipbuilding efforts and those of our great friendly neighbour, Germany. As to Germany's shipbuilding programme, that is a matter entirely for the German people. They know their business: we know ours. We harbour no shadow of ill will towards the Germans. On the contrary, we look with admiration and respect at the thoroughness and sincerity with which the German people apply themselves to problems of Education and the Social Welfare of their people generally. We see many courses being prosecuted in Germany that it would be well if we followed. In the field of Commerce we are associated with Germany on terms mutually advantageous. As H.M. Consul-General Sir Francis Oppenheimer says in his Report for 1908:—

“Germany must be counted among the United Kingdom's very best customers, and the United Kingdom is in many respects of decisive importance to Germany.”

Long may this happy community of interest continue and flourish.

But remembering our island position, the fact that our survival is the Blue Water, the fact that we depend so enormously upon sea-borne foodstuffs for our tables, and upon sea-borne raw material for our Mills, Factories, and Workshops, the least we can do—and that without the shadow of any ill-will towards any of the peoples of the world—is to see that our sea-forces are kept in a position of unassailable supremacy. Not for any purpose of aggression. Simply to stand sentinel. That is the most elementary expression of the law of self-preservation.

Well, again and again, we are told that our sea-forces are being overhauled in strength by those of this great friendly people. Are they?

Comparing the British and German Fleets, the position in the spring of 1912 will be as follows:

Great Britain	-	-	20 "Dreadnoughts"
Germany	-	-	13

(Admiral von Tirpitz's statement).

In April, 1912, Great Britain will have, in addition, **40 pre-Dreadnought battleships under 20 years of age, with an aggregate displacement of 585,000 tons, mounting 152 12 in. guns, 8 10 in., 52 9.2 in., 23 7.5 in., and 416 6 in.**

At the same date Germany will have **20 pre-Dreadnought battleships under 20 years of age; with an aggregate displacement of 241,000 tons, mounting 40 11 in. guns, 40 9.4 in., 140 6 in. and 164 5.9 in.**

Comparing armoured cruisers at the same date, and excluding the "Invincible" type, **Great Britain will have 35, with an aggregate displacement of 416,000 tons, and mounting 68 9.2 in. guns, 70 7.5 in., and 332 6 in.**

Germany will have **8 armoured cruisers, with an aggregate displacement of 78,524 tons, and mounting 6 9.4 in. guns, 32 8.2 in., and 74 5.9 in.**

At the present time the comparison would be even more in favour of Great Britain, which has 7 tried and tested "Dreadnoughts" and 3 more rapidly approaching completion.

Germany has only two in commission, and these have been so recently completed that they have not yet been tried and tested.

I frankly confess to have to make this comparison at all is to me an invidious operation. I only make it because of the reckless mis-statements which have been put in circulation.

Admiralty Administration.

Again, you have heard not a little criticism of Admiralty policy generally. Well, I went to the Admiralty nearly two years ago. I went there an absolute stranger to everybody except my two colleagues, the Parliamentary members of the Board. I had been

fourteen months in another Government Department, and many years on a great Local Authority. My deliberate judgment is that it would be very difficult indeed to devise a system of administrative organization which would give you prompter and more sound dispatch of public business. I will go further. It would be very difficult indeed to get together a body of men who could work harder, in more complete harmony, or with greater devotion to the great charge entrusted to them than do the men at the Admiralty.

As to the effect of Admiralty administration upon the Navy, I will take two recent instances. I take the mobilisation of the Fleets for last year's Manœuvres. The nucleus crew vessels were completed to full numbers on June 30th, and all the Divisions and Flotillas left the Home Ports the same day. I saw the Devonport Division mobilise, and I thought it a masterpiece of organization. From July 1st to July 16th the vessels under the command of the Commander-in-Chief of the Home Fleet carried out various tactical exercises, and cruised northward on the east coast of England and Scotland. Between the 16th and 23rd July they carried out strategic exercises with the vessels under the Commander-in-Chief of the Channel Fleet. The total number of vessels engaged on both sides was 268. Forty-five other ships carried out a cruise and exercises outside the Manœuvre area. Thus you had mobilised within a few hours, and sent to sea to engage in war operations, 29 battleships, 23 armoured cruisers, 28 unarmoured cruisers, and a variety of other vessels, including 130 Destroyers—268 vessels in all; in my humble judgment one of the most remarkable pieces of organization ever placed to the credit of the Naval Administration, even in this country.

Again, there could be no better evidence of the efficiency of the organization of the Navy than the mobilisation of the Fleet for the 1909 Manœuvres. Within a few hours there were sent to sea, all fully manned and on a war footing, 39 battleships, including 7 of the "Dreadnought" type, and a great variety of other vessels, ranging from the armoured cruiser to the submarine, numbering in all 371, with a complement of over 80,000 seasoned officers and men.

In connection with the Manœuvres there was a most significant incident. H.M.S. "Sappho," after a collision with a merchant vessel in a fog, was towed into Dover in a sinking condition. She was immediately patched up at Dover and sent round to Chatham under her own steam, and within the week she was repaired and dispatched to resume her station in the Manœuvres.

I fully admit the English people are entitled to be concerned about their Navy. If the White Ensign is ever hauled down they may put up their shutters. **But those who tell you that the Navy of to-day is not easily ahead of its own standard for very many years past, either can't know or won't face the facts.**

THE TWO LOAVES

(BOTH ARE FOUR-POUND LOAVES.)

THE GERMAN LOAF
UNDER PROTECTION.



TAXED LOAF.

THE BRITISH LOAF
UNDER FREE TRADE.



UNTAXED LOAF.

(The prices are the average prices for 1908 in Berlin and London as given in an Official Blue Book, No. 4954 of 1909, page 193.)

**STICK TO FREE TRADE
AND
AN UNTAXED LOAF.**

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IT'S YOUR **FOOD**

DAVID
WILSON



WE WANT TO **TAX**

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28/12/09

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TORY STATESMEN

ON

THE SUPREME ISSUE.

IN rejecting the Budget the Lords have not only done what they have never done before, but what they have no constitutional right to do. This is not just what Liberals say, but what the leading Tory Statesmen have said for the last century and a half, as the following extracts show.

WILLIAM PITT.

"Taxation is no part of the governing or legislative power; the taxes are a voluntary gift and grant of the Commons alone. In legislation the three states of the realm are alike concerned, but the concurrence of the Peers and the Crown to a tax is only necessary to clothe it with the form of a law. The gift and grant is of the Commons alone. . . . The distinction between legislation and taxation is essentially necessary to liberty." . . .—(*House of Commons, January 14th, 1766.*)

THE DUKE OF WELLINGTON.

"This measure (*Corn Law Repeal Bill*) was recommended by the Speech from the Throne, and it has been passed by a majority of the House of Commons, consisting of more than half the members of that House. But my noble friend said that that vote is . . . inconsistent with the supposed views of the constituents by whom they were elected. My Lords, I think that is not a subject which this House can take into consideration." . . .—(*House of Lords, May 28th, 1846.*)

THE LATE LORD SALISBURY.

"The reason why the House of Lords cannot amend a Finance Bill is that it has not the power of changing the Executive Government; and to reject a Finance Bill and leave the same Executive Government in its place means to create a deadlock from which there is no escape. . . . But if this House were to reject a Finance Bill, or to amend it so that the House of Commons would

"That being so," Mr. Stevens pursued, "the posters on the Tariff Reform van that have appeared in this district were untrue?"

"I don't think they were untrue," observed Sir Alexander; "I think they meant that more would be employed"—a process of reasoning which vastly amused his listeners.

"They said 'Work for All,'" insisted Mr. Stevens.

"I am not responsible for that," came the evasive retort.

"Were not those vans," continued Mr. Stevens, "sent out by the Central Conservative Association at the instance of Mr. Hughes, the chief organiser?"

"They were sent out," replied Sir A. Acland-Hood, "by a special organisation. If the words on the van were 'Tariff Reform Means Work for All,' I quite admit it was an exaggeration. The words should have been 'Tariff Reform Means More Employment'"—an explanation which evoked cries of "Rubbish."

But Mr. Stevens had not yet finished. "Are you," he pressed, "responsible for what takes place at the Central Conservative office?"

"Yes, I am responsible for most of it," came the admission.

"If that is so," was Mr. Stevens' next point, "the vans must have been sent out with your authority. Isn't that so?"

"I said so," exclaimed the Chief Whip, "and I say it again, that the words should have been, 'Tariff Reform Means More Employment.'"

* * * * *

So there is ONE TORY LIE THE LESS!

You will do well to be suspicious of Tory promises. They promised you Old Age Pensions but never got them for you, though this was a promise they could have kept. Once bit, twice shy. When they promise that "Tariff Reform means Work for All" remember that Sir Alexander Acland-Hood says it is an **"EXAGGERATION"** and when they promise you in his new version that "Tariff Reform means more Employment," remember that this in turn may only be an **"EXAGGERATION."**

Show these **TORY GENTLEMEN**
what you think of them and
their promises by
VOTING LIBERAL.

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DON'T BE SCARED!

The "Daily Mail" has called in the Socialist, Mr. Blatchford, to run a Navy scare—to try and frighten you into voting Tory. The Man in the Red Tie is good enough to try and get you into a Blue Funk.

THE PRIME MINISTER SAYS:

"Let me say, then, once for all, and I speak with full deliberation, and after careful and prolonged inquiry, that the Navy to-day is able to maintain, not only this year, but in the years that lie before us, our supremacy at sea, and, should the necessity arise—which God forbid—to guarantee the integrity of our shores, the protection of our commerce, and the inviolability of our Empire."

Liverpool, December 21st, 1909.

WHICH WOULD YOU RATHER TRUST,

MR. ASQUITH, the Prime Minister,
OR
THE TORIES UNDER THEIR NEW SOCIALIST LEADER?

**Don't be SCARED into letting the Lords
off paying their fair share
of taxation.**

**IT ISN'T THE NAVY THEY'RE WORRYING ABOUT
IT'S YOUR FOOD THEY WANT TO TAX!**

Lord Curzon lets the Cat Out of the Bag.

LORD CURZON is the leader of the Peers who have been going about the country seeking to explain to the people what the rejection of the Budget really means.

They have certainly done it.

The people now do know all about the **conspiracy to degrade their House of Commons and to give more power to the House of Lords.**

That is perfectly clear from what Lord Curzon has said on more than one platform.

Lord Curzon thinks it a good thing that we should have hereditary legislators, just as in India they have hereditary tailors ! Our 600 hereditary legislators, he says, have such advantages over the member of a House of Commons you return at a General Election. The Peers are **"not exposed to the dangers and temptations of popular election."** In the House of Lords, says My Lord Curzon, "we do not have to trim our sails to catch the **passing gusts of popular passion.**" "We are not threatened by gusts, we are not pestered by crochet-mongers running around us to force us to agree with their particular fads, and most of all, **we are not bound by pledges, too often rashly given, and at a later date most reluctantly redeemed.**" **QUITE TRUE.** The Peers have never to consult you ; their **"duty"** is (as Lord Lansdowne says) **"OWED TO THEMSELVES,"** and is one which is never "reluctantly redeemed." They believe in **the greatest good of the smallest number, and that smallest number is—No. 1.**

There are no **working men in the House of Lords.** Of course not, says Lord Curzon, but see how many **"Field Marshals, great Generals, and great Governors"** there are. The proper place for the workman is the House of Commons, with plenty of Field Marshals and Generals to **over-rule** him if necessary in the "Upper" Chamber.

"We hold," says Lord Curzon, "that two Chambers are indispensable because of our experience and of the experience of other countries; and, secondly, because we have a House of Commons which in its modern developments is **not fit to be left alone.**"

It always is "**left alone**" when it contains a Tory majority, so that what is really meant is that the Tory Party wants a Two-Chamber system to make sure that "**whether in office or in Opposition,**" (as Mr. Balfour has said) one party—their own—shall have the last word in legislation.

Such is the Tory conspiracy against POPULAR GOVERNMENT and FREE INSTITUTIONS.

At the very moment when you are asked to elect a House of Commons, you are asked to vote for Tories who will give their pledge to degrade it and to put it under the heel of a hereditary Chamber, who have no constituents but themselves.

A vote for a Tory is a vote against the People's House of Commons.

The only way to protect your vote is to give it to the

LIBERAL CANDIDATE.

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28/12/09.

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THE HOUSE OF LANDLORDS --- A BLACK RECORD.

Apart from the unconstitutional action of the Lords in rejecting the Budget, the **blackest part of their black record** during the past four years of Liberal Government is without doubt their treatment of every measure touching, directly or indirectly, the question of the **land**. Not one such measure escaped their attack, not one of the four years is without more than one instance of it.

The Lords (1) mutilated the Agricultural Holdings Act of 1906; (2) mutilated the Irish Town Tenants Act of 1906; (3) wrecked the Scotch Smallholders Bill in 1907, and rejected it in 1908; (4) rejected the Scotch Land Values Bill in 1907, and wrecked it in 1908; (5) mutilated the Irish Evicted Tenants Act of 1907; (6) mutilated the Irish Land Act of 1909; and (7) mutilated the Housing and Town-Planning Act of 1909.

In addition, **one of the chief reasons why the Lords rejected the Budget was that it contained proposals to tax land values and to secure land valuation.**

The reason for this **black record** is, of course, the plain and simple one—that the House of Lords is a House of Landlords. As Lord Ridley has told us, **the Lords own one-third of the land of the country**, and acting in what they conceive to be their interests as Landlords, they use the privilege of the House of Lords of having the last word in legislation to block, as far as they dare, the path of all Land Reform, however necessary and even urgent. **Their first and last thought is** (in Lord Lansdowne's words) **"the duty they owe to themselves."**

**WE HAVE FREED OUR TRADE, WE MUST
FREE OUR LAND, AND TO DO THAT WE MUST
FREE OURSELVES OF THE LORDS' VETO.**

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THE HOUSE OF LORDS —AND CITIZENSHIP.—

At the root of the House of Lords question lies the question of Citizenship.

Every one knows from his own experience how things work out at present.

Bob Liberal and Tom Tory are neighbours. Their circumstances are exactly alike. They make the same yearly income. They live next door to each other in houses of the same amount in rent. They pay the same amount in rates and taxes.

Each, in consequence, has a vote for a representative in the House of Commons, in order that he may give effect to his views as to how the country should be governed. Neither, notice, has the vote because of his political opinions—if either had it for that reason, the other, of course, would not have it, since they hold opposite political opinions. No, they have votes because, and only because, they are good citizens, fulfilling all the conditions and discharging all the virtues of an equal citizenship.

So far, the State “sees fair” between them, and it ought, of course, to continue to “see fair” between them. But, as things are, at this point the equality between them ends, for what happens when they come to use their votes?

A General Election takes place. Both vote. Tom Tory's side wins. A Government after his own heart takes office, and for five or six years brings forward the legislation that Tom Tory wants. And all the legislation they propose becomes law, because the Lords, being nearly all Tories, always agree with everything the Tory Government introduces. All that

Tom Tory wants done is done. **TOM TORY GETS THE FULL VALUE OF HIS VOTE.**

Well, another General Election comes along. Again both men vote. This time Bob Liberal's side wins. A Government after his heart takes office and brings forward the legislation he wants. But a large number of their most important and most distinctly Liberal proposals do not become law, because the Lords, being nearly all Tories, refuse to pass them. Most of what Bob Liberal most wanted done is not done. **BOB LIBERAL GETS ONLY ABOUT HALF THE VALUE OF HIS VOTE.**

Where is the fair play of that as between one citizen and another?

Who is it that secure Tom Tory **all** his vote, but leave Bob Liberal only **half** of his? **THE LORDS.**

Who is it that, by claiming the power to control finance, have now reduced Bob Liberal's vote to **NEXT TO NOTHING? THE LORDS.**

Bob Liberal is not going to stand it any longer. He is going to have the rights to which he is as much entitled as Tom Tory.

The Power of the Lords
to perpetrate
this Outrage on Citizenship
must be taken from them.

THE RESULT OF A TARIFF IN GERMANY.

The following is a paragraph from page 3, under the heading 'Deutschland' of the evening edition of the *Berliner Tageblatt* of Thursday, December 30th, 1909.

"The increase in the cost of living, due to our economical and fiscal policy in favour of the Agrarians, has induced the Union of German Clerks at Leipzig to address a circular to the principals and directors of commercial firms, drawing their attention to **the advance in the prices of commodities**, and requesting them to grant their clerical staffs an extra allowance to meet the **additional domestic expenses**.

"Several statistical tables are included with the circular, setting out the increase in the prices of food, &c., and the advance in house-rent during recent years, and comparing the same with the rise in salaries obtained by commercial clerks in the same period. **These statistics prove that the advance in salaries has by no means kept pace with the upward tendency of prices, and that the rise in wages falls considerably short in many cases of the advance in the cost of living.**"

The German Clerks' Union is one of the largest of its kind, and purely non-political, with a membership of over 50,000.

Don't be gulled by the Tory tale that a tax on food will not raise its price.
These German clerks know by bitter experience that it does.

IF YOU ARE INTERESTED IN OLD AGE PENSIONS

"I have come to the conclusion that the wisest course is to throw upon His Majesty's Government the sole and entire responsibility for a measure which we regard with great apprehension, and which, we fear, may have far-reaching and disastrous effects upon the future of this country."

UNLESS YOU WISH TO GIVE LORD LANSDOWNE'S PARTY THE
CHANCE OF MAULING THE OLD AGE PENSIONS ACT,
VOTE LIBERAL.

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LEAFLET No. 2308.]

14/1/10.

[Price 4s. per 1000.

IF YOU ARE INTERESTED IN OLD AGE PENSIONS READ THESE TWO LETTERS.

(1)

"Newlands, Marlborough, January 7th, 1910.

"My Lord Marquis, A few days ago you referred 'to those who are *at this moment* entitled to Old Age Pensions' and you said you would not give encouragement to any one who attempts to regard as an 'open question whether those pensions should or should not be continued to *those who have a statutory title to them.*'

"I shall be much obliged if you will let me know whether your remarks were intended to be confined to persons now over seventy years old and actually receiving Old Age Pensions, and also whether you consider yourself to be at liberty to carry an Act which, whilst it would leave persons now over seventy the right to receive pensions on the present basis, would provide that in the case of persons attaining the age of seventy after such an Act came into force pensions would only be paid to them on a contributory basis or in some other manner than that now in force.

"Yours faithfully,

ALFRED BEESLY."

(2)

"Bowood, Calne, Wilts, January 10th.

"Sir, I am directed by Lord Lansdowne to acknowledge the receipt of your letter of January 7th, and to say that the passage to which you refer in his Liverpool speech was in reply to the assertion which, as you are aware, has been constantly made by members of His Majesty's Government to the effect that persons now enjoying Old Age Pensions were likely to be deprived of them in the event of the Unionist Party coming into power.

"Even His Majesty's Government have, so far as Lord Lansdowne is aware, never contended that it should be beyond the power of any Government which may hereafter be in office to **modify the conditions under which Old Age Pensions may at a future time be awarded.**—I am, Sir, yours faithfully,

"MARCUS J. DAWKINS."

NOW WHAT DOES THIS MEAN?

It means that Lord Lansdowne declines to pledge the Tory Party not to interfere with the Old Age Pensions Act. The Tory Party is to be free to alter the conditions under which any one not actually in receipt of a Pension is to become entitled to one.

This need cause no surprise, for when the Old Age Pensions Act was being discussed in the House of Lords, Lord Lansdowne said (July 20th, 1908):—

"I have come to the conclusion that the wisest course is to throw upon His Majesty's Government the sole and entire responsibility for a measure which we regard with great apprehension, and which, we fear, may have far-reaching and disastrous effects upon the future of this country."

UNLESS YOU WISH TO GIVE LORD LANSDOWNE'S PARTY THE
CHANCE OF MAULING THE OLD AGE PENSIONS ACT,
VOTE LIBERAL.

THE TRUTH ABOUT THE NAVY.

THOSE electors whose votes were influenced at the recent election by alarmist statements circulated by the Tories as to the condition of the British Navy will read with more than ordinary interest the following extracts from articles published after the elections by the *Times* newspaper, a Tory journal.

On January 25th, 1910, dealing with Lord Fisher's Administration, a *Times* article concludes as follows:

"The facts and figures cited above speak for themselves. They show, in our judgment, beyond dispute that, even when all due weight is given to legitimate differences of opinion concerning naval policy at large, Lord Fisher leaves **the Navy far stronger and better organized than he found it**, better equipped and better disposed for the defence alike of the United Kingdom and of the Empire, and purged as by fire of many of 'those obese and unchallenged old things that stifled and overlay' it in the past. It is a new Navy that he has given us, instinct with his own fearless spirit of progress and efficiency. The period of transition has been unhappily beset with bitter controversies and painful antagonisms. But these, let us hope, are now things of the past. His successors will hold fast to the good that he has accomplished and will not be slow to correct anything that may prove to have been done amiss. But they will not undo the main fabric of his work. That is established **on solid foundations which will still stand fast when all the toil of the achievement is forgotten.**"

On February 7th, 1910, a *Times* article on our own Navy thus sums up its position as compared with the German and American Navies:—

“The position about May should be—ten British, four German, and two American battleships and cruisers of the Dreadnought type completed. Before December, however, two more British ships will be added to the list, and possibly one German, the ‘Von der Tann.’ Thus, for this year, in spite of the acceleration in construction abroad, **the two-Power standard**, as well as that of the two keels to one, **will have been more than maintained.**”

*

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On the following day, February 8th, 1910, a *Times* article on the German and the United States shipbuilding programmes sums up the situation as follows:—

“If Germany succeeds in completing all the ships of her 1909 programme by March, 1912, she will have thirteen vessels of the Dreadnought type in the water to our twenty. At the same time the United States will have six Dreadnoughts complete; so that at that date we shall have maintained the two-Power standard in Dreadnoughts, while our preponderance in pre-Dreadnought ships, including the two Lord Nelsons, will be more than equivalent to a 10 per cent. margin.”

SO MUCH FOR THE BOGY TALES

**about Liberal neglect of the Navy
circulated by the Tories and**

THEIR DEAR FRIEND, MR. BLATCHFORD

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3/3/10,

[Price 3s. per 1000.

TORY STATESMEN

ON THE

LORDS AND THE

PEOPLE'S PURSE.

WHEN they rejected the Budget the Lords not only did what they had never done before, but what they had no constitutional right to do. This is not just what Liberals say, but what the leading Tory Statesmen have said for the last century and a half, as the following extracts show.

WILLIAM PITT.

"Taxation is no part of the governing or legislative power; the taxes are a voluntary gift and grant of the Commons alone. In legislation the three states of the realm are alike concerned, but the concurrence of the Peers and the Crown to a tax is only necessary to clothe it with the form of a law. The gift and grant is of the Commons alone. . . . The distinction between legislation and taxation is essentially necessary to liberty." . . .—(*House of Commons, January 14th, 1766.*)

THE DUKE OF WELLINGTON.

"This measure (*Corn Law Repeal Bill*) was recommended by the Speech from the Throne, and it has been passed by a majority of the House of Commons, consisting of more than half the members of that House. But my noble friend said that that vote is . . . inconsistent with the supposed views of the constituents by whom they were elected. My Lords, I think that is not a subject which this House can take into consideration." . . .—(*House of Lords, May 28th, 1846.*)

THE LATE LORD SALISBURY.

"The reason why the House of Lords cannot amend a Finance Bill is that it has not the power of changing the Executive Government; and to reject a Finance Bill and leave the same Executive Government in its place means to create a deadlock from which there is no escape. . . . But if this House were to reject a Finance Bill, or to amend it so that the House of Commons would

reject it, as the same Executive Government would remain in office there would be obviously the greatest inconvenience in dealing with the public finance.”—(*House of Lords, July 30th, 1894.*)

“The House of Lords takes no share whatever in that which is the most important part of the annual, constant business of every legislative body—viz., the provision of funds by which the public service is to be carried on, and the determination of the manner in which these services are to be carried on. In regard to these matters it takes no part whatever.”—(*House of Lords, July 6th, 1895.*)

MR. BALFOUR.

From Mr. Balfour's speeches during the Parliament of 1906-9:—

1906.—“The House of Lords, as you all know, does not interfere with the general financial policy of the country.”—(*Manchester, October 22nd, 1906.*)

1907.—“We all know that the power of the House of Lords . . . is still further limited by the fact that it cannot touch those money Bills which, if it could deal with, no doubt, it could bring the whole executive machinery of the country to a standstill.”—(*House of Commons, June 24th, 1907.*)

1908.—“It is the House of Commons, not the House of Lords, which settles uncontrolled our financial system.”—(*Dumfries, October 6th, 1908.*)

On this **ALL-IMPORTANT ISSUE**, therefore, as to whether the Peers' House or the People's House shall control the People's Purse, the most authoritative Tory opinion agrees with all Liberal opinion that in the past the People's House alone has controlled the People's Purse.

It is for you to support the

LIBERAL PARTY

and so secure that in the future, as in the past, THE PEOPLE'S HOUSE, AND THE PEOPLE'S HOUSE ALONE, SHALL CONTROL THE PEOPLE'S PURSE.

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LEAFLET No. 2310.]

5/4/10.

[Price 3s. per 1,000.

BOB LIBERAL & TOM TORY

A TALE OF TWO NEIGHBOURS

At the root of the House of Lords question lies the question of Citizenship.

Every one knows from his own experience how things work out at present.

Bob Liberal and Tom Tory are neighbours. Their circumstances are exactly alike. They make the same yearly income. They live next door to each other in houses of the same amount in rent. They pay the same amount in rates and taxes.

Each, in consequence, has a vote for a representative in the House of Commons, in order that he may give effect to his views as to how the country should be governed. Neither, notice, has the vote because of his political opinions—if either had it for that reason, the other, of course, would not have it, since they hold opposite political opinions. No, they have votes because, and only because, they are good citizens, fulfilling all the conditions and discharging all the duties of an equal citizenship.

So far, the State “sees fair” between them, and it ought, of course, to continue to “see fair” between them. But, as things are, at this point the equality between them ends, for what happens when they come to use their votes?

A General Election takes place. Both vote. Tom Tory's side wins. A Government after his own heart takes office, and for five or six years brings forward the legislation that Tom Tory wants. And all the legislation they propose becomes law, because the Lords, being nearly all Tories, always agree with everything the Tory Government introduces. All that

Tom Tory wants done is done. **TOM TORY GETS THE FULL VALUE OF HIS VOTE.**

Well, another General Election comes along. Again both men vote. This time Bob Liberal's side wins. A Government after his heart takes office and brings forward the legislation he wants. But a large number of their most important and most distinctly Liberal proposals do not become law, because the Lords, being nearly all Tories, refuse to pass them. Most of what Bob Liberal most wanted done is not done. **BOB LIBERAL GETS ONLY ABOUT HALF THE VALUE OF HIS VOTE.**

Where is the fair play of that as between one citizen and another ?

Who is it that secure Tom Tory **all** his vote, but leave Bob Liberal only **half** of his? **THE LORDS.**

Who is it that, by claiming the power to control finance, have now reduced Bob Liberal's vote to **NEXT TO NOTHING? THE LORDS.**

Bob Liberal is not going to stand it any longer. He is going to have the rights to which he is as much entitled as Tom Tory.

The Power of the Lords
to perpetrate
this Outrage on Citizenship
must be taken from them.

THE LORDS AND THE PEOPLE.

THE GOVERNMENT'S PROPOSALS.

IN 1906 the People returned a Liberal Government to power by the largest majority given to any Government since 1832. In four years the Liberal Government brought in measures to give effect to the Will of the People thus emphatically expressed.

We know what happened. The Lords, who had passed every Tory measure for ten years, destroyed measure after measure brought in by the Liberal Government, and wound up last year by rejecting the Budget—a thing they had never done before.

For an irresponsible, hereditary House of Lords thus to seize on the control of the People's purse and to thwart the Will of the People as expressed by the People's House, is **a state of things intolerable in a country of free institutions.** By reducing the self-government on which we pride ourselves to an empty farce, it means the abolition of these free institutions.

This must be put an end to. To do this the Liberal Government has brought forward the following proposals.

I.—The Lords and Finance.

The Government proposes **that, by Act of Parliament, the House of Lords shall be prevented from rejecting or amending any Money Bill.** This is simply to return to what had been up to last November the settled constitutional practice for fifty years, and to secure by law the complete control by the People's House of the People's Purse.

II.—The Lords' Veto.

The Government proposes **that the existing power of the House of Lords to reject all Bills that are not Money Bills and so indefinitely prevent their passing**

into law shall, by Act of Parliament, be restricted by any such Bill becoming law WITHOUT THEIR CONSENT after it has passed the Commons in three successive Sessions and been twice rejected by the Lords. THIS ABOLISHES THE LORDS' ABSOLUTE VETO, and secures that within a reasonable time THE WILL OF THE PEOPLE, as declared at a General Election, SHALL PREVAIL.

To see how this proposal would work, it is sufficient to take a single case. The Lords rejected the Plural Voting Bill of 1906. If it had been introduced again in 1907, they would have been certain to reject it again (only last year they rejected the London Elections Bill because it abolished Plural Voting in London). But in 1908 when once more introduced, it would—with the Government's resolution in force—have become an Act of Parliament without the Lords' consent.

III.—The Duration of Parliament.

The Government propose **that the duration of Parliament shall be limited to 5 years.** This is a reform which on general grounds is long overdue, but which, since it secures that the House of Commons shall keep in closer touch with the electorate, becomes advisable, if not even necessary, when the powers of the Lords are to be cut down.

SUPPORT THE LIBERAL GOVERNMENT

**WHICH DEFENDS THE RIGHTS OF THE PEOPLE
AND OF THE PEOPLE'S HOUSE**

**Against the Attacks of the Unrepresentative,
Irresponsible House of Lords.**

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LEAFLET No. 2312.]

7/4/10.

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WHAT THE TORIES ARE REALLY AFTER.

“I want a **stronger** Second Chamber,” said Mr. Balfour (on March 4th, 1910).

Why? Well, Tory speakers and writers quite frankly say that by a “stronger” Second Chamber they mean one that will throw out more Liberal measures in the future than the House of Lords has done in the past. The *Yorkshire Post*, for instance, has said (March 15th, 1910):—

“The House of Lords is not weak in intellect or in political knowledge, but in the fact that, being open to personal attack, **it is liable to give assent to Radical measures which a Chamber differently constituted would withstand.**”

In other words, if we had had this “stronger” House of Lords since 1906, it would not have been content with denouncing the Trade Disputes Act and the Old Age Pensions Act—it would have thrown them both out.

BEWARE OF THIS TORY PLOT AGAINST THE PEOPLE'S LIBERTIES.

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THE BLACK RECORD OF THE HOUSE OF LORDS.

Apart from the unconstitutional action of the Lords in rejecting the Budget, the **blackest part of their black record** during the four years of Liberal Government, 1906 to 1910, was without doubt their treatment of every measure touching, directly or indirectly, the question of the **land**. Not one such measure escaped their attack, not one of the four years was without more than one instance of it.

The Lords (1) mutilated the Agricultural Holdings Act of 1906; (2) mutilated the Irish Town Tenants Act of 1906; (3) wrecked the Scotch Small-holders Bill in 1907, and rejected it in 1908; (4) rejected the Scotch Land Values Bill in 1907, and wrecked it in 1908; (5) mutilated the Irish Evicted Tenants Act of 1907; (6) mutilated the Irish Land Act of 1909; and (7) mutilated the Housing and Town-Planning Act of 1909.

In addition, **one of the chief reasons why the Lords rejected the Budget of 1909 was that it contained proposals to tax land values and to secure land valuation.**

The reason for this **black record** is, of course, the plain and simple one—that the House of Lords is a House of Landlords. As Lord Ridley has told us, **the Lords own one-third of the land of the country**, and acting in what they conceive to be their interests as Landlords, they use the privilege of the House of Lords of having the last word in legislation to block, as far as they dare, the path of all Land Reform, however necessary and even urgent. **Their first and last thought is** (in Lord Lansdowne's words) **"the duty they owe to themselves."**

**WE HAVE FREED OUR TRADE, WE MUST
FREE OUR LAND, AND TO DO THAT WE MUST
FREE OURSELVES OF THE LORDS' VETO.**

THE BLACK RECORD

HOUSE OF LORDS

THE HOUSE OF LORDS has been the scene of many a memorable debate, and it is not surprising that it has been the subject of many a book. The Black Record is a collection of the most memorable speeches made in the House of Lords, and it is a book which should be read by every one who is interested in the history of the House of Lords.

The book is divided into two parts. The first part contains the speeches of the most famous lords, and the second part contains the speeches of the most famous lords who have since died. The book is a valuable addition to the library of every one who is interested in the history of the House of Lords.

WE HAVE FOUND THIS BOOK VERY INTERESTING AND WE HAVE FOUND IT VERY USEFUL. WE HAVE FOUND IT VERY INTERESTING AND WE HAVE FOUND IT VERY USEFUL.

**THE ONLY WAY
TO PROTECT
YOUR
VOTE
IS TO
GET RID OF THE
LORDS'
VETO.**

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LEAFLET No. 2315.]

15/4/10.

[Price 2s. per 1000.

**"IF OUR
FOREFATHERS
COULD CURB THE
CROWN,
THEIR SONS CAN
CURB THE
NOBLES."**

John Bright
(1884).

Give the LAST WORD
in legislation to
The House of Commons
which
you YOURSELVES elect.

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LEAFLET No. 2317.]

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[Price 2/- per 1,000.

HOW IT STRIKES THE COLONIES.

You are sometimes asked to support Tariff Reform for the sake of the Colonies.

Read what is thought of our Tariff Reformers in the Colonies themselves.

The "New Zealand Times" said (January 19th, 1910) :—

"The Tariff Reformers in England care as much about the Colonies' position as they do about Siam. Their objective is not what it was alleged to be a year or two ago—the transfer of taxes from one commodity to another. It is *the transfer of taxes from one class to another*. That could no longer be concealed when the Bill for Old Age Pensions and *Dreadnoughts* had to be met. To say, as Mr. Balfour now does, that the Colonies are 'pleading' for this, is, we take the liberty of saying, carrying *misrepresentation rather too far*. As the Colonies impose heavy duties on British manufactures, it would be rather ludicrous for them to tell the Motherland that the only way to expand her commerce is to tax her people for the special benefit of those Colonies."

The New Zealand "Wellington Evening Post" said (January 7th, 1910) :—

"John Bull may rest assured that his children have no wish to dip their fingers in his pockets, and that if he comes to the conclusion that to grant them Preference would have that effect, it is the very last thing that they would desire. He may also rest assured that they will never be so mean or so petty as to regard his refusal to sacrifice his own interests to theirs as the scornful repudiation of any invitation that they have made or have any right to make. They realise that the preference which with their high tariffs it is easy for them to grant, is a very difficult matter for him to reciprocate. *To ask Great Britain to abandon Free Trade merely in order to give us a preference is an invitation which the Colonies never have made and never will make*. If made, it would certainly justify that scornful repudiation of which Mr. Balfour speaks, but of which we have heard nothing from Mr. Asquith and his colleagues. New Zealand's sympathies have, of course, been with Tariff Reform, because she stands to gain by it, but since it has become linked with the assertion of hereditary privilege and the opposition to social reform, they have probably been swayed by higher and broader considerations in the opposite direction."

Don't believe all the fairy tales the Tories tell you about the Colonies.

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15/4/10

[Price 2s. per 1,000.

HOW IT STARTS THE POLYMER

The first step in the polymerization process is the initiation of the reaction. This is typically achieved by the addition of a catalyst or initiator, which generates free radicals or other reactive species. These species then attack the monomer molecules, leading to the formation of a polymer chain. The rate and extent of polymerization are influenced by various factors, including the concentration of the monomer, the nature of the initiator, and the reaction conditions (temperature, pressure, etc.).

Once the polymer chain is initiated, it grows as more monomer units are added to the active end of the chain. This process is known as propagation. The growth of the polymer chain continues until the reaction is terminated, either by the addition of a chain transfer agent or by the depletion of the monomer. The resulting polymer can have a wide range of properties, depending on the specific monomer and the conditions of the polymerization process.

Understanding the mechanism of polymerization is crucial for the design and synthesis of new polymers with desired properties. By controlling the initiation, propagation, and termination steps, chemists can tailor the molecular weight, architecture, and functionality of the resulting polymer. This knowledge is essential in various fields, including materials science, chemistry, and engineering.

AN OUNCE OF EXPERIENCE WORTH A TON OF THEORY

Tariff Reformers tell you that to tax corn will not raise its price. That is their THEORY.

Read what the "New Zealand Times," a Protectionist journal, said (*January 15th, 1910*), as the result of New Zealand EXPERIENCE :—

"We know what taxation of corn is in actual practice. Wheat and flour imported to the Dominion is taxed, and the result of experience in this direction is this—that no man who desired not to be laughed at as a humbug would make to a New Zealand audience such an assertion as the one we yesterday heard of Mr. Balfour making to the electors at York. Taxation of wheat and flour imported to New Zealand does two things—it makes the loaf dearer and gives the miller a bonus on every ton of flour he grinds. Use of the argument that commodities are cheapened by taxing them implies disregard of the public intelligence and of the known results of such experiments in every country where they have been tried."

**Don't be Humbugged !
A Taxed Loaf is
a Dearer Loaf.**

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15/4/10

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FOOD DEARER WAGES NO HIGHER.

In the United States, where they have a Protective Tariff, Mr. Havens, the Democratic Candidate, has just at a by-election gained a seat from the Republicans. WHY?

The Washington correspondent of the *Morning Post* (one of the Tory papers that want "Tariff Reform") says (April 20th):—

" . . . Dissatisfaction with the Tariff Bill and the high cost of living were no mean contributing factors. Rochester, which is practically the entire district, is a manufacturing city of varied industries, and its working men have felt the pinch of 'Republican prosperity,' which has **sent up the cost of living without a corresponding increase of wages**, and Mr. Havens made the Tariff almost the sole issue in his speeches."

Those who live under a Tariff know from experience that it "sends up the cost of living without a corresponding increase in wages."

**If you don't want
a similar experience
STICK TO FREE TRADE.**

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DESPOILING THE SPOILER.



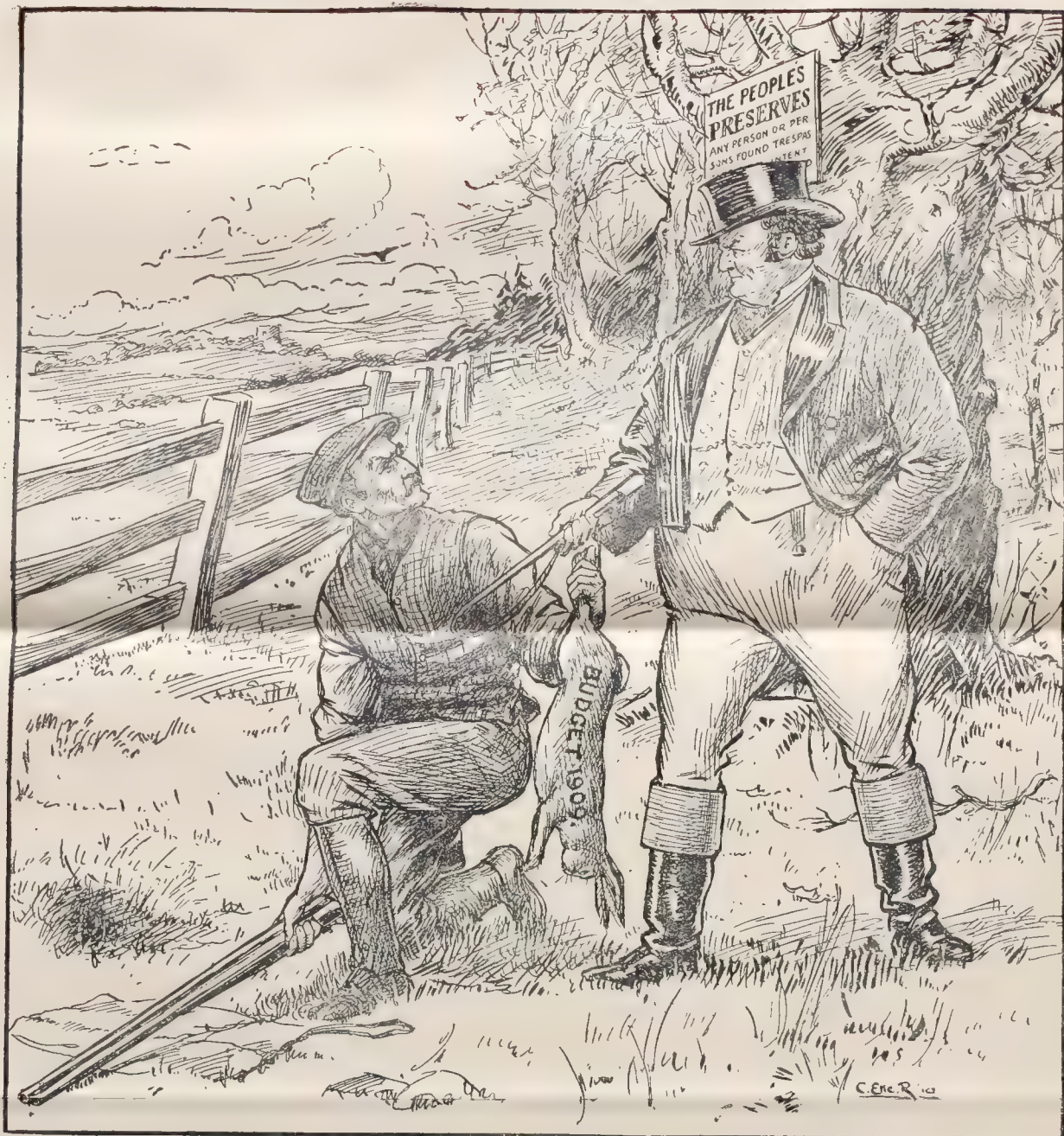
THE GUILTESS POACHER (Lord Lansdowne): Oh! your hare, Sir?
JOHN BULL: Yes, and your VETO gun, Sir.

The Lords have had to pass the Budget they rejected last November.

For the future they must be allowed NO WORD in national finance, and in all matters of legislation their absolute Veto must go—the LAST WORD must rest with the People's House of Commons.

The way to get this done is to **VOTE LIBERAL.**

DESPOILING THE SPOILER.



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NOT TAKING ANY.

THE GERMAN. ACH! DO! IS SOMETHING I DID NOT KNOW!

Both the American and the German have the best of reasons—that of experience—for knowing that Tariffs DO increase the cost of living. At a recent by-election in America a Democrat gained a great victory over a Republican. Why? Here is the explanation given by the correspondent of a Tariff Reform paper, the *Morning Post*:—"Dissatisfaction with the Tariff Bill and the high cost of living were no mean contributing factors. Rochester, which is practically the entire district, is a manufacturing city of varied industries, and its working men have felt the pinch of "Republican prosperity," **which has sent up the cost of living without a corresponding increase in wages . . .**"

As to Germany, its principal newspaper, the *Frankfurter Zeitung*, surveying the condition of Germany last Christmas, said (December 24th, 1909):—"A sadder Christmas Germany has scarcely ever had since the foundation of the Empire . . . and if the words 'bad times' were ever justified it is so at present. Owing to the shortsightedness of the people who have shaped the policy of the Empire during recent years, **the prices of the necessities of life have reached a height never before attained.**"

The only way to avoid the increase of the cost of living which is caused by Tariffs and so keep things as cheap as possible is to

STICK TO FREE TRADE.

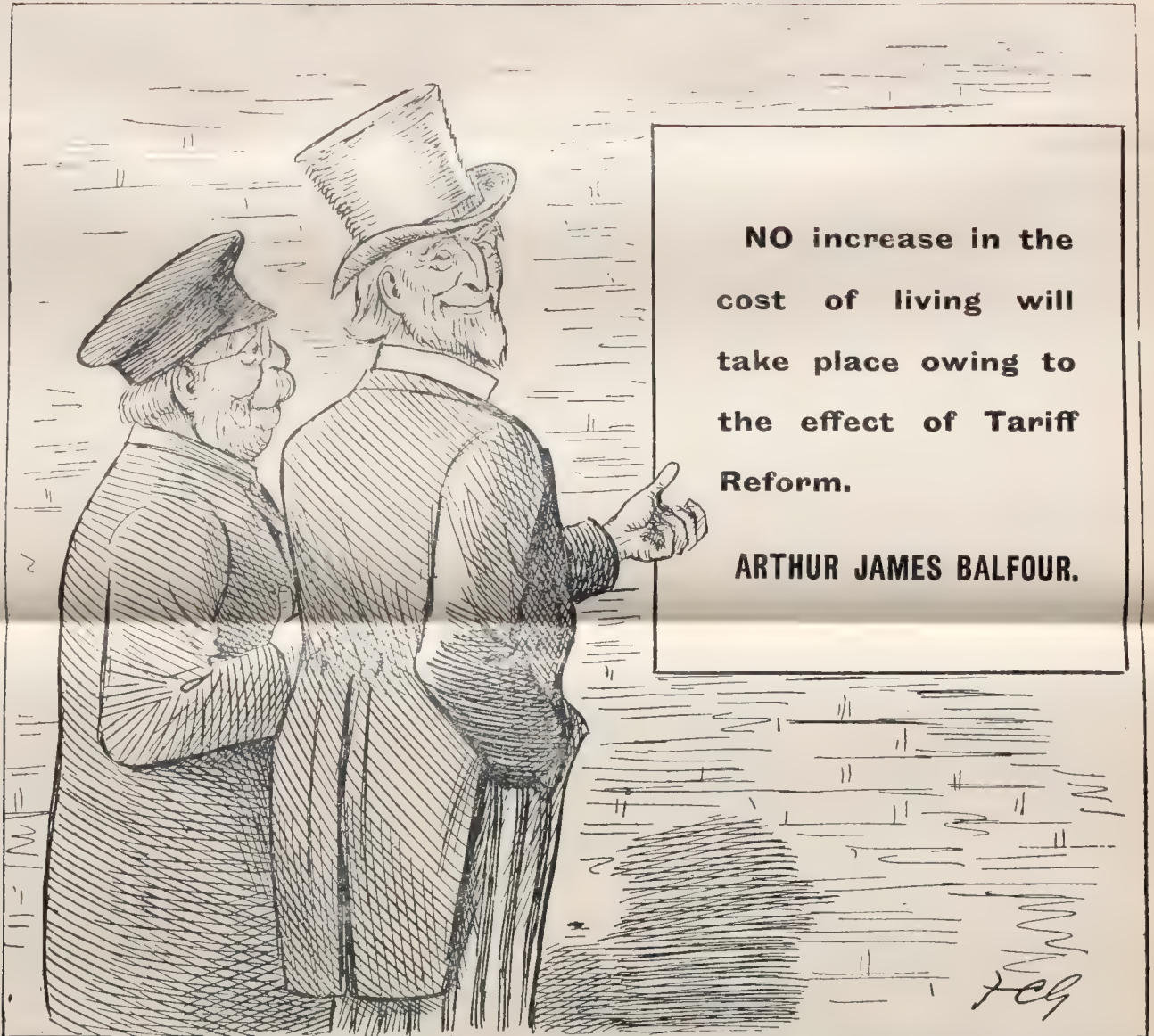
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42, Parliament Street, Westminster, S.W., and Printed by Waterlow & Sons Limited, London Wall, London; and 49, Parliament Street, Westminster.

LEAFLET No. 2,323.]

2/5/10.

[PRICE 4/6 PER 1,000.

NOT TAKING ANY.



The AMERICAN: Jehosaphat! I guess that'll be a frigid and calculated one!
The GERMAN: Ach! Dot is someding I did not know!

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STICK TO FREE TRADE.

THE WILL-O'-THE-WISP.

Read what Mr. Chamberlain said about this Will-o'-the-Wisp of Protection in "his Radical days." It is as true to-day as then. Speaking at Norwich on January 14th, 1885, Mr. Chamberlain said:—

"The farmers will be very foolish indeed if they do follow Mr. Lowther after this will-o'-the-wisp. If they study history at all they will find that the condition of the farmer was never so hopeless, and that the state of the labourer was never so abject as when the corn was kept up at high value by a prohibitive or protective duty; when it was 64s., or even rose to 120s. a quarter. The food of the people was taxed to raise the rent of the landlord. None of the plunder found its way into the farmers' pockets, and I will tell them that unless they can secure permanence of occupation no artificial alteration in the price of wheat will help them one atom."

**DON'T BE MISLED BY THE TARIFF REFORM WILL-O'-THE-WISP,
BUT STICK TO FREE TRADE.**

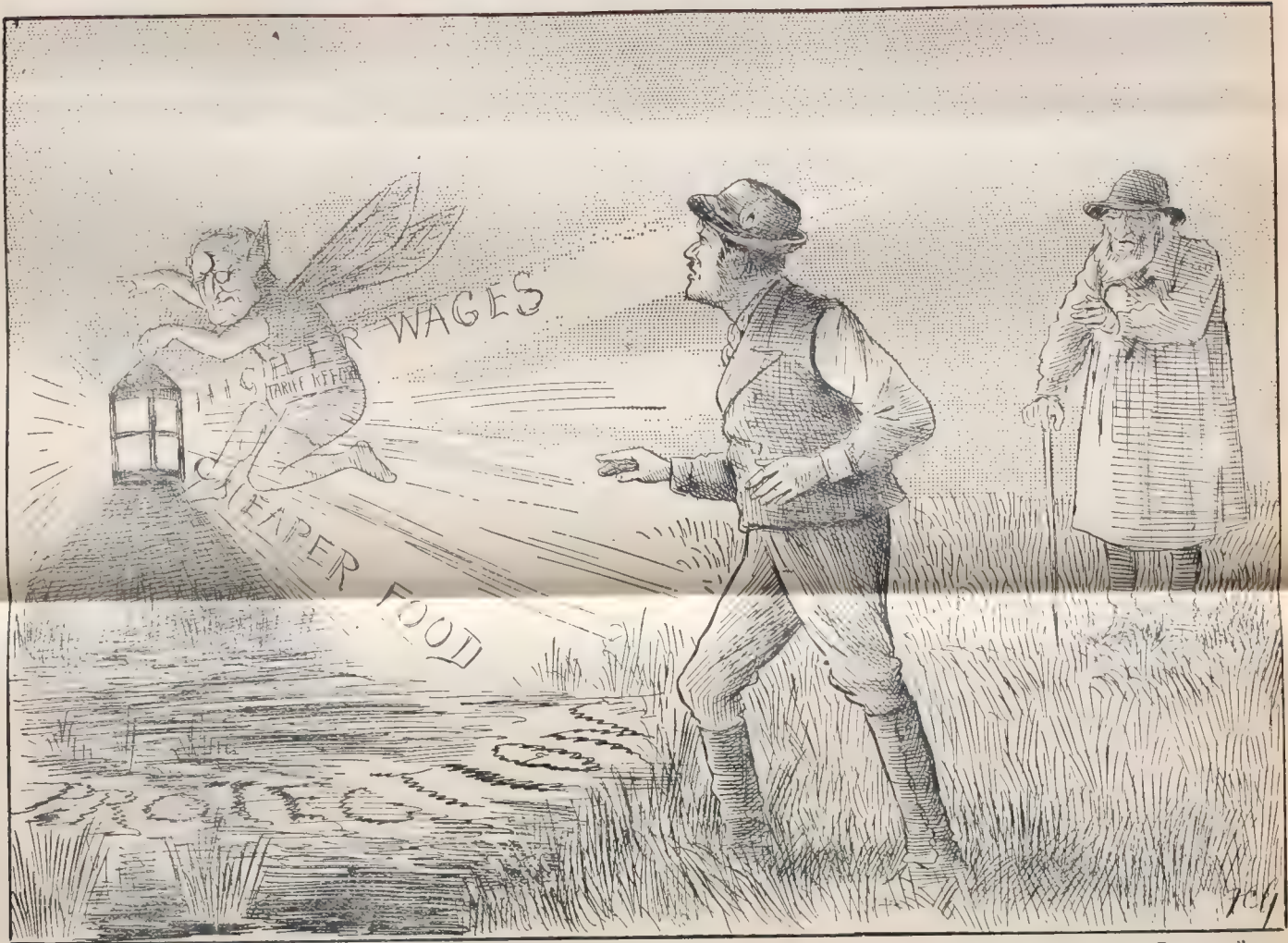
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PRICE 4/6 PER 1,000.

THE WILL-O'-THE-WISP.



[From the "WESTMINSTER GAZETTE."]

THE OLD LABOURER: *Don't you follow that Jacky-lantern, my boy. You'll only get into that old bog that we was all in in the Hungry Forties!*

Read what Mr. Chamberlain said about this Will-o'-the-Wisp of Protection in "his Radical days." It is as true to-day as then. Speaking at Norwich on January 14th, 1885, Mr. Chamberlain said:—

"The farmers will be very foolish indeed if they do follow Mr. Lowther after this will-o'-the-wisp. If they study history at all they will find that the condition of the farmer was never so hopeless, and that the state of the labourer was never so abject as when the corn was kept up at high value by a prohibitive or protective duty; when it was 64s., or even rose to 120s. a quarter. The food of the people was taxed to raise the rent of the landlord. None of the plunder found its way into the farmers' pockets, and I will tell them that unless they can secure permanence of occupation no artificial alteration in the price of wheat will help them one atom."

**DON'T BE MISLED BY THE TARIFF REFORM WILL-O'-THE-WISP,
BUT STICK TO FREE TRADE.**

Published by the LIBERAL PUBLICATION DEPARTMENT (in connection with the National Liberal Federation and the Liberal Central Association), 42, Parliament Street, Westminster, S.W., and Printed by Waterlow & Sons Limited, London Wall, London, and 19, Parliament Street, Westminster.

A LITTLE PARABLE.

A housewife went into the tariff reform Provision Shop to buy some Bacon. Seeing one piece ticketed "Foreign," she asked the Price. The Shopman told her. "But that is dearer than it used to be," said the Housewife. "That is because under Tariff Reform the Foreigner is Taxed on what he sends here," replied the Shopman. "That is Peculiar!" said the Housewife. "If the Foreigner pays the tax, why should I pay too?" "H'm," said the Shopman—"What is the next Article, ma'am?"

Then the Housewife pointed to another piece labelled "Home Produce," and asked the Price. The Shopman told her. "But that is dearer too," said the Housewife, "it ought to be cheaper than the Foreign Bacon, seeing that there is no Tax on it."

"Hah!" replied the Shopman; "but that is where the Benefit to Home Industries comes in!" "But where do *I* come in?" asked the Housewife. "It seems to me that under your precious Tariff Reform the price of Food goes up, and that I, and not the Foreigner, have to pay the Tax."

"H'm," said the Shopman—"And the next Article, ma'am?"

"There is no next Article," said the Housewife. "I shall go over to the Free Trade Shop opposite."

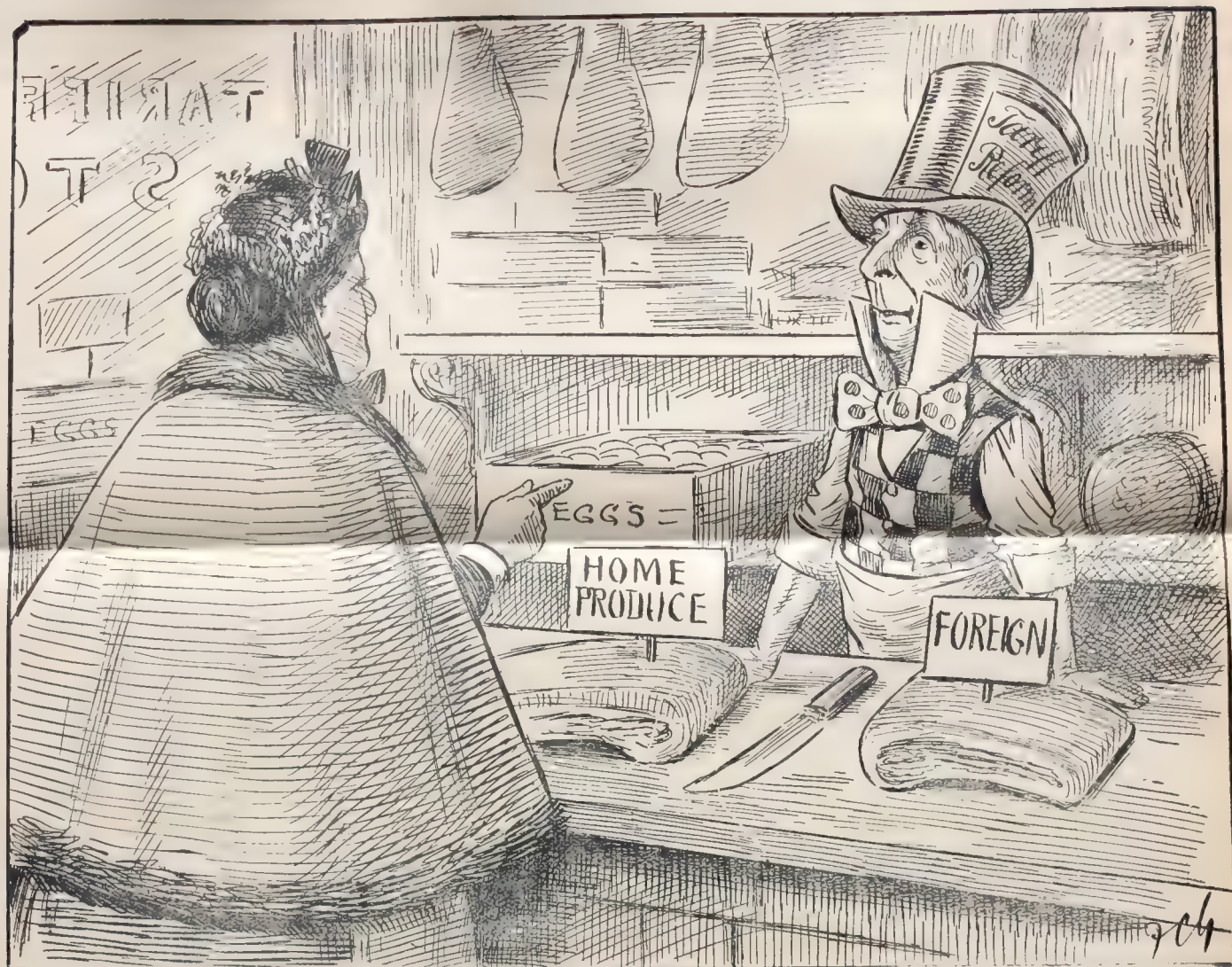
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A LITTLE PARABLE.



[From the WESTMINSTER GAZETTE.]

A Housewife went into the Tariff Reform Provision Shop to buy some Bacon. Seeing one piece ticketed "Foreign," she asked the Price. The Shopman told her. "But that is dearer than it used to be," said the Housewife. "That is because under Tariff Reform the Foreigner is Taxed on what he sends here," replied the Shopman. "That is Peculiar!" said the Housewife. "If the Foreigner pays the tax, why should I pay too?" "H'm," said the Shopman—"What is the next Article, ma'am?"

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"There is no next Article," said the Housewife. "I shall go over to the Free Trade Shop opposite."

TWO-FACED ARGUMENTS.



According to *Monthly Notes on Tariff Reform*, the official organ of the Tariff Reform League, the proposed taxation of food will, "owing to the immense stimulus to production it will provide, necessarily tend to an *ultimate lowering* and steadying of food prices, and is, *therefore, our only hope for ensuring a cheap and permanent food supply.*"

Don't listen to Mr. Tariff Reform Facing-both-ways, who pitches one story in one place, and another and quite different one in another place.

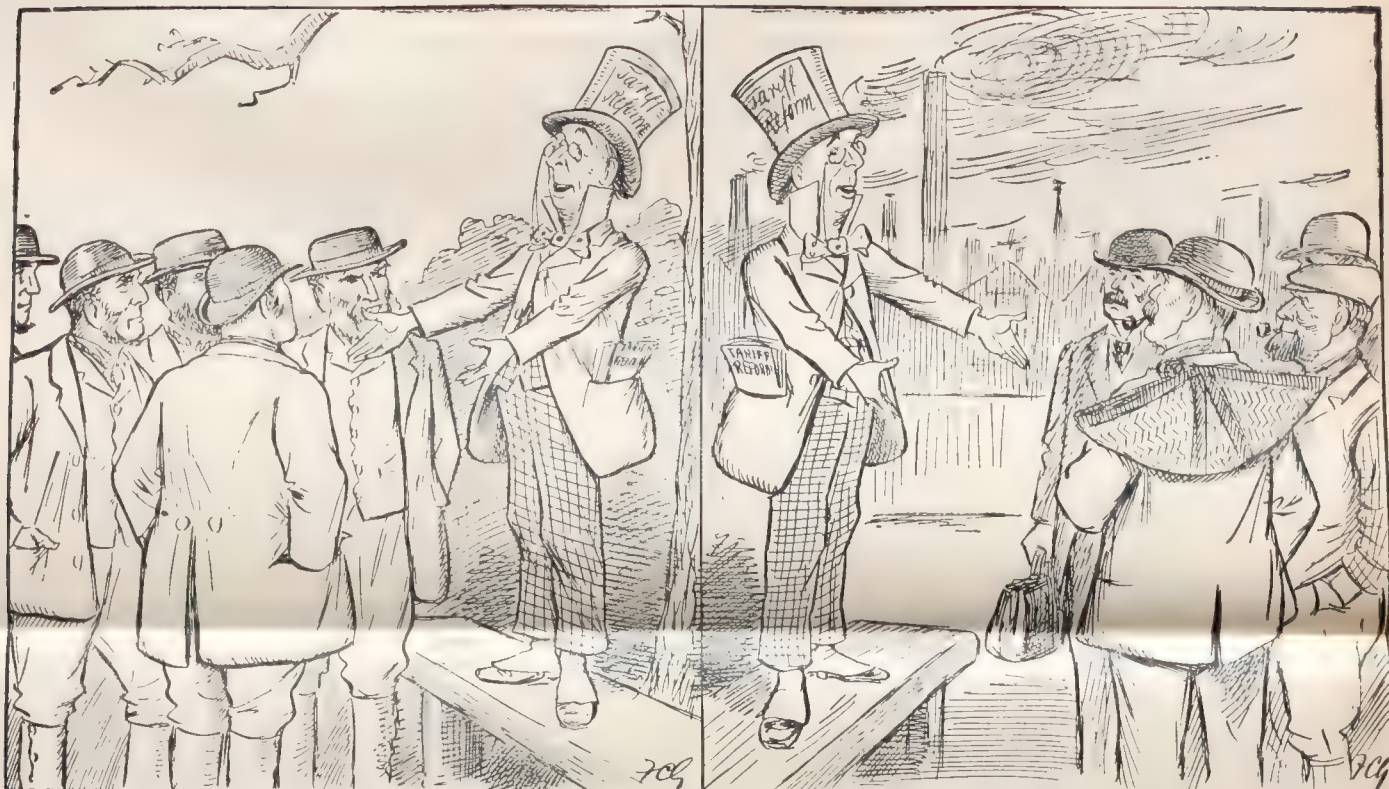
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[PRICE 4/6 PER 1,000

TWO-FACED ARGUMENTS.



[From the "WESTMINSTER GAZETTE."]

TARIFF REFORM MISSIONARY TO "SMALL HOLDERS": *My friends! Tariff Reform is indispensable to Small Holdings. Without a tax on imported food, how are the prices of the things which you grow to be raised?*

TARIFF REFORM MISSIONARY TO TOWN WORKERS: *My friends! Under Tariff Reform the tax on imported food will immensely stimulate home production, and that will mean an ultimate lowering of food prices.*

According to a prominent Tariff Reform journal (the *Observer*) "the food duties are as indispensable to a national movement on behalf of small ownership as to Imperial Preference itself."

According to *Monthly Notes on Tariff Reform*, the official organ of the Tariff Reform League, the proposed taxation of food will, "owing to the immense stimulus to production it will provide, necessarily tend to an *ultimate lowering* and steadying of food prices, and is, *therefore, our only hope for ensuring a cheap and permanent food supply.*"

Don't listen to Mr. Tariff Reform Facing-both-ways, who pitches one story in one place, and another and quite different one in another place.

AGRICULTURE AND THE BUDGET.

The Budget of 1909 is at last the law of the land. Tories are saying that the Budget lays a heavy burden on agriculture. This is **not true**, as can be seen by reading the following :—

1. LAND VALUE TAXES.

There are four new Land Value Taxes, and in the case of all four it has been made perfectly clear that the industry of agriculture is to be protected from any fresh burden.

A. Increment Value Duty.

This is a duty on the future increase in value of land, which will be paid by the owner when the land changes hands. But firstly no duty will be paid on any increase in value due “to works of a permanent character” or “to the good husbandry of any person in occupation of or interested in the land”: Secondly, Clause 7 says :—

“Increment value duty shall not be charged in respect of agricultural land while that land has no higher value than its market value at the time for agricultural purposes only.”

It must be remembered also that a wide meaning is given in Clause 41 to the word agriculture, and that it includes not only land under cultivation, or meadow, or pasture, or woodland, but also land used for market gardens, nursery grounds or allot-

ments. **Where, therefore, land has no higher value for any other purpose than it has for any of these purposes, no duty at all can be payable.** Even when duty is payable it is only payable on the amount by which the site value of the land for some purpose **other than agriculture** exceeds the original agricultural site value.

B. Reversion Duty.

Here again agricultural land is securely guarded, as follows:—

“ Clause 14 (2). No reversion duty shall be charged on the determination of the lease of any land which is at the time of the determination agricultural land, nor on the determination of a lease the original term of which did not exceed twenty-one years.”

C. Undeveloped Land Duty.

Similar provisions carefully safeguarding the interests of agriculture govern the collection of Undeveloped Land Duty, as follows:—

“ Clause 17 (1) Undeveloped Land Duty shall not be charged in respect of any land where the site value of the land does not exceed fifty pounds per acre.

(2) In the case of agricultural land of which the site value exceeds fifty pounds per acre undeveloped land duty shall only be charged on the amount by which the site value of the land exceeds the value of the land for agricultural purposes.”

This means that **no duty at all will be payable on agricultural land as long as the best use to which it can be put is agricultural.** The duty will only be charged where land is being kept back from building purposes. This duty will help to bring land into the market so that towns may grow, and give more profit to those who supply them with agricultural produce.

D. Mineral Rights Duty.

This duty of 1s. in the £ on mining royalties, etc., clearly does not affect agricultural land.

Thus agriculture is completely guarded throughout from having to contribute towards the land taxes, and yet one-half of the whole proceeds of all the land taxes (including that on mining royalties) is to be paid to the relief of local rates, rural as well as urban.

Positive Benefits to Agriculture.

2. MOTOR TRAFFIC.

Six hundred thousand pounds a year is to be raised from Motorists by an extra tax in proportion to the horse power of their cars, and by a duty on petrol. This fund will be distributed by a central authority to local authorities, to aid in improving the roads for the purpose of motor traffic. **The burden of all such improvements hitherto carried out has fallen very heavily on the rural ratepayer. In future not only will he be relieved of this burden, but new roads will be made and existing roads will be widened, straightened, made safer, and freed from dust at the cost of those who damage them and make them dangerous.**

3. DEVELOPMENT.

Two and a half million pounds, and in addition any further sums that may be voted by Parliament, to be devoted in the five years beginning in 1911, mainly to the development of our rural industries. Other countries such as Denmark, Ireland, and Canada have for some time been liberally aiding their citizens to make a good

living out of the land, and now we are going to do the same. Money may be given in the form of grant or loan for any of the following:—(a) forestry, (b) scientific research and experiment in agriculture, (c) improvements in live stock or poultry, (d) instruction in marketing agricultural produce, (e) co-operation, (f) the extension of small holdings, (g) the reclaiming and drainage of land, (h) improvement of transport—including light railways, and generally for “the adoption of any other means which appear calculated to develop agriculture and rural industries.”

**Farmers—Think these things over.
What do they mean?**

You are to gain in rates, gain in roads, and gain in the development of your industry, and at the same time, as a farmer, you are not asked to pay a half-penny of extra taxation.

Remember who provided Old Age Pensions which must permanently help the local rates by gradually abolishing out-door relief, and giving the work-worn labourer an honourable pension.

Remember who passed the Agricultural Holdings Act.

Remember who made up the arrears of legislation which the Tories were too slack to pass—the Dogs Act, Fertilisers and Feeding Stuffs Act, and the Butter and Margarine Act.

GET AT THE FACTS. HELP WHAT HELPS YOU.

**Support the Liberal Party
which passed the Budget and
the Development Act.**

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IMPORTANT.

To AGRICULTURAL LABOURERS

THE

BUDGET AND AGRICULTURE.

Tory M.P.'s have been talking a lot in the House of Commons lately about the Land Taxes, and some of them would have you believe that Agricultural Land will be taxed, and that consequently your employer will have to lower your wages.

THIS IS A TORY TALE. DON'T YOU BELIEVE IT FOR ONE MOMENT.

On the contrary, it is made as clear as possible in the Budget that Farm Land is *not* taxed in any shape or form, unless it is worth more for building on than for agricultural purposes.

Do not be misled either by your landlord or your employer, or anyone else, in this respect.

Don't forget that the Liberals got you your Vote, that the Liberals got you Old Age Pensions, and that the Tories want to tax your bread and cheese and butter.

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FAIR WAGES FOR THE WORKERS

The REAL FACTS ABOUT a CERTAIN HOUSE OF COMMONS DIVISION.

On March 8th, 1910, a motion was introduced in the House of Commons by a Labour Member, asserting that the Government as an employer in work for the Army should treat its workpeople as well as the best private employers or local public authorities doing similar work.

A discussion took place in which the Government gave pledges **which satisfied not only the Labour Members, but so well-known a Unionist as Mr. Lyttelton.**

The Labour Member thereupon wished to withdraw his motion. It had achieved its object, and to have carried it would, as Mr. Wyndham pointed out, have prevented the House of Commons giving "the con-

stitutional sanction which was needed to proceed with recruiting" for the Army.

But the Tories insisted upon a division—simply in order to be able to say, as they are now saying, that they were the Government worker's real friends.

This is a dodge which ought to deceive no one.

It did not deceive those most concerned—the Labour Party, whose own motion it was that was in question. Here is the account given in the April issue of the "Quarterly Circular," the official publication of the Labour Party.

"Mr. Haldane gave the following undertaking:—

What we (*the Government*) propose is this, that the new Fair Wages Resolution adopted by this House, and which we apply to contractors, should apply to ourselves, and if anyone says, 'you are not acting up to the spirit of that Resolution,' we shall refer the matter to the same tribunal as we would refer it to in the case of contractors.

"This was a valuable concession never made before, and, together with other statements made on

behalf of the Government, it made the following points quite clear:—

- (1) That any complaints would be placed before the Committee which deals with the Fair Wages Clause.
- (2) That certain conditions of employment about which complaint had been made would be altered.
- (3) That in the future administration of the Fair Wage Clause, the spirit of the clause would be followed more closely than had been the case hitherto.

“As a result the party was willing to withdraw the Resolution. The Conservative Opposition, however, was out for a game. One or two of its Members, representing constituencies where Government workers have influence, had spoken in the debate in criticism of the Government, but no general support was given to us at any time by the Party as a whole. Mr. Wyndham, speaking for the leaders of the Party, first of all advised that no action should be taken, and then, yielding to pressure from the benches behind him, said he was in the hands of his Party. It was as clear as noon-day that what was being done was a mere partisan attempt to

use our amendment for the purpose of advancing the interests of the Tory Opposition.”

If any further evidence were wanted that the whole thing was a mere dodge on the part of the Tory rank and file, it would be found in the fact that Tory leaders like Mr. Wyndham and Mr. Lyttelton both refused to vote against the Government.

What the Tories who voted for the motion wanted was not to help the Government workers, but to hurt the Government, even at the cost of preventing the Army estimates being considered.

Don't be taken in by Tory trickery.

**JUDGE GOVERNMENTS BY WHAT
THEY DO, AND WHEN NEXT YOU
VOTE REMEMBER THAT THE
LIBERAL GOVERNMENT HAS SHOWN
ITSELF IN FAVOUR OF FAIR WAGES
AND CONDITIONS OF EMPLOYMENT.**

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14/5/10.

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THE NINE YEARS OF EDWARD VII.

REMARKABLE PROGRESS IN WEALTH AND TRADE.

By L. G. CHIOZZA MONEY.

[Reprinted by permission from the "Daily News."]

EDWARD VII. ascended the throne on January 22nd, 1901, and died on May 6th, 1910, after nine years' faithfulness to his pledge "to be a Constitutional Sovereign in the strictest sense of the word." This, his own utterance, may be recorded as his best epitaph.

The nine years of Edward VII. have been marked by a very great expansion of British wealth and commerce. I do not think it is generally recognised how great that expansion has been. Our population is increasing at the rate of about 1 per cent. per annum, and the following round figures exhibit the growth during the late reign:—

GROWTH OF POPULATION, 1901-1910.

At Census of 1901	...	...	...	...	41,500,000
Estimated Population in May, 1910	...	...	...	...	45,500,000
Increase	...	...	...	...	4,000,000
Increase per cent.	...	...	...	...	9

The population of the United Kingdom thus increased by about 4,000,000, or 9 per cent., in 1901-1910. Let us compare this increase with the growth of our external commerce in the same period. As 1901, the year in which Edward VII. began his reign, showed a slight decline in trade as compared with 1900, I take the latter year for the purposes of comparison:—

EXTERNAL COMMERCE: 1900-1909.

(In millions of £.)

	Imports.	Exports.	Re-Exports.	Total Visible Commerce.	Per Head.
1900	523	291	63	877	21
1909	625	378	91	1094	24
Increase in 9 years	102	87	28	217	3
Increase per cent.	19.5	29.8	44.4	24.7	14.3

This table, remarkable as it is, understates the growth of British commerce under Edward VII. The year 1900 was a best on record, eclipsing all previous figures. The year 1909, on the other hand, was one of depression.

Yet, it will be seen, our external commerce increased by nearly 25 per cent. It increased at a much greater rate than our population, for, per head, external trade in 1909 was over 14 per cent better than in 1900.

The year, 1909 closed in revival, and in the closing months of the late reign, remarkable progress was made. If we bring the matter up to date by comparing April 1910 with April 1900, we get the following remarkable comparison :

EXTERNAL COMMERCE, 1900-1910.

In the Month of April.

In millions of £.

		Imports.		Exports.		Re-Exports.	Total Visible Commerce.
April, 1900	...	42·6	...	22·6	...	5·9	71·1
April, 1910	...	59·6	...	35·3	...	11·9	106·8
Increase...	...	17·0	...	12·7	...	6·0	35·7
Increase per cent.	...	...	...	...	...	...	50

Our external trade in April, 1910, was actually 50 per cent. greater than in the last April of Queen Victoria's reign.

THE RULING OF THE WAVES.

The growth of British shipping—that outstanding factor in British prestige—has been no less remarkable. In the following figures I again compare 1900 and 1909 :—

SHIPS ON UNITED KINGDOM REGISTER,

1900-1909.

			Gross Tonnage.				Total.
			Steam.		Sail.		
1900	...	...	11,800,000	...	2,200,000	...	14,000,000
1909	...	...	17,000,000	...	1,400,000	...	18,400,000
Increase or Decrease...			+5,200,000	...	-800,000	...	+4,400,000
			Increase.		Decrease.		Increase.
Per cent.	...	...	+44·0		-36·3		+31·4

These figures relate not to ocean shipping only, but to all the ships on the United Kingdom register.

The total gross tonnage increased by over 31 per cent. in the nine years, but the actual increase was really greater, because, as will be seen, the total figure suffers through the inclusion of the figures of the declining sailing tons. The real growth of British shipping is better exhibited in the first column. We see that our steamships actually increased by 44 per cent. under Edward VII.

Unfortunately, we have no means of measuring our internal trade, or the growth of the value of British production. Some light is cast on the growth of the volume of our transactions by the returns of the London Bankers' Clearing House. Turning to these, we get the following gigantic totals:—

BANKERS' CLEARING HOUSE RETURNS.

			Total Cheques, Bills, &c., cleared in year.			Average Daily Clearance.
1900	...	...	£8,960,000,000	...	...	£29,000,000
1909	...	...	13,525,000,000	...	...	44,000,000
Increase	...	...	£4,565,000,000	...	...	£15,000,000
Increase per cent.			51	...	...	51

It is difficult to grasp the meaning of these figures, but we can easily apprehend the significance of the remarkable fact that in the short reign of Edward VII. the Bankers' Clearing House increased its clearings of cheques, bills, &c., by 51 per cent. while the population increased only 9 per cent.

WONDERFUL GROWTH OF TRADE AND OTHER PROFITS.

No human mind can realise the magnitude of such a figure as £13,525,000,000. To count this sum, counting at the rate of two per second, would occupy over two hundred years. But is the enormous amount of business, partly represented by these extraordinary figures, profitable? Did British profits grow in the reign of Edward VII.? For answer, let us look at the income tax returns:

GROSS INCOME TAX ASSESSMENTS, 1901-1910.

Financial Years ended March 31st.	Total Profits, All Schedules. £			Trades and Professions only, Schedule D. £		
1901 (Actual)	...	...	833,000,000	...	...	466,000,000
1910 (Estimated)	...	...	1,050,000,000	...	...	615,000,000
Increase	...	...	£217,000,000	...	...	£149,000,000
Increase per cent.			26·0	31·9		

The 1901 figures are official. The 1910 figures are my own estimates, but no one acquainted with the facts will consider them too high.

It will be seen that the total gross profits assessed to income tax increased by 26 per cent. in nine years, while the profits of trades and professions increased by nearly one-third. These figures, it should be borne in mind, refer to incomes of those amongst us who enjoy earnings or profits exceeding £160 a year.

There can be, of course, but one general conclusion drawn from the salient facts we have examined. It is that the reign of Edward VII. was one in which the British people made exceedingly great progress in material wealth. There is no desire to be controversial in presenting this statement of facts, but it is permissible to observe that those who desire that the reign of George V. should be marked by similar progress would do well to study the above figures, and to ask themselves whether it is either wise or patriotic to represent to the world as on the verge of disaster and collapse a nation which can exhibit such vigorous progress.

The Increment Land Value Tax

WHAT IT IS, AND HOW IT IS RAISED.

Unearned increment is the increase in the **value of land** due, not to anything done by the owner, but **to the efforts of the community**. The growth of a large town, the development of new industries, the building of railways, or the extension of tramways, are everywhere producing this increased value for the fortunate owner of land in the neighbourhood. Everyone knows of cases where land which not long ago was **worth a good deal less than £50 an acre** for agricultural purposes **has become worth hundreds of pounds sterling** through these and similar causes.

A JUST TAX.

The object of the Unearned Increment Tax is to obtain for the community **a portion of the wealth they have thus created**, which has up to now gone entirely into the pockets of the owners of land. It is a tax the **principle** of which has been **recognised in other countries**, such as Germany, for a number of years, and which in Prussia has been applied for raising money for local purposes since 1904. Some 200 local authorities in Prussia are now successfully imposing this form of tax to the **great benefit of the community and relief of the rates**. Many more are taking steps for its application; and the German Imperial Parliament has just resolved to make it an Imperial Tax.

FAIR DIVISION.

In Germany no party disputes the fairness of the principle of the tax, the only discussion being as to its division between Imperial and local purposes.

The Budget of 1909, now at last passed into law, takes the fair course in that matter. It divides the revenue equally between the Nation and the Towns—between taxes and rates.

AN EQUITABLE VALUATION.

A valuation is now to be made of the **site value** of all land. Site value means the amount which land, if sold in the open market by a willing seller, could be expected to realise if all buildings and other structures, fixed machinery, growing timber, fruit trees, etc., on it did not exist. Further, the value of all works of a permanent character such as roads, sewers, drains, etc., carried out by or for the landowner, with the object of making the land of use as building land, or for any business, trade, or industry, will be deducted. The Increment Tax will be payable on the difference between the site value of the land when the tax comes to be paid, and the original site value to be fixed by the valuation to be made this year, less 10 per cent. of the original site value.

A CASE IN POINT.

Let us take the case of the owner of fifty acres of building land with no houses upon it, which has been increased in value by £5,000 by the owner laying out roads, sewers, etc. Suppose that in this year's valuation, the land is found to be worth £400 an acre, making a total of £20,000. After the deduction of the £5,000 due to the expenditure of the owner, the site value would be £15,000. If in three years' time the owner were to sell the whole 50 acres at £700 an acre, having in the meantime further increased the value £5,000 by development work, what would the taxable increment be? From the £35,000 which he

would receive for the land would be deducted the £5,000 which he expended on it during the three years, leaving the new site value £30,000. When the original site value of £15,000 is deducted from this sum, the balance of £15,000 is the unearned increment, but from this must be deducted 10 per cent. of the original site value £1,500, which will leave £13,500, as the taxable increment. The tax which it is proposed to levy upon that sum is one-fifth, or £2,700.

WHEN THE TAX BECOMES DUE.

All Increment Tax becomes due when the land is sold, when a lease of more than **fourteen** years is granted, when the land passes on death, and, in cases where land is owned by corporate or unincorporate bodies, every fifteen years, the first year being 1914.

AGRICULTURAL LAND EXEMPT.

Agricultural land, including meadow and pasture land and woodland, market gardens, nursery grounds and allotments, is specially exempted from the tax. The tax will only fall, as it rightly should, on land which has become of more value for other purposes than for agriculture. Here are the words of the Act of Parliament :—

“Increment value duty shall not be charged in respect of agricultural land while that land has for other purposes no higher value than its value for agricultural purposes.”

SMALL HOLDERS AND HOUSE OWNERS EXEMPT.

The **small holder** and the **small house owner** is also exempt when he is an occupying owner and the total value of his house and land **does not exceed £500.**

A DEBT TO SOCIETY.

If the State wants money, as it does, for National needs, can anything be more just than to take a part of the profit that is thus pocketed by the landowners, not one penny of which is due to personal work or enterprise on their part? Every building put up, every improvement made, any goodwill owing to their efforts, is taken into account and exempted from taxation. Surely, it is reasonable, fair, and proper to tax the profit due to the fact that the land of the country is limited in quantity, and that people must have land to live and work on. The increase in the value of land arises from the increase of the population, from the needs and enterprise of large municipalities and of the ratepayers, and from the strenuous activity of all ranks of the great industrial army. Why should this increased value, this unearned increment, be monopolised precisely by those who have done nothing to create it? This tax will relieve the incomes of the workers and the rates of the ratepayers.

**Do not be deceived. The choice is
between taxing unearned Incre-
ment and taxing well-earned Food
—between Increment Tax and
Tariff Reform.**

**The 1909 Budget is a good Budget
because it places**

THE BURDEN ON THE RIGHT BACK

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IS FREE TRADE FINANCE **PLAYED OUT?**

‘YES,’ say the TARIFF IMPOSERS.

**‘NO,’ say the FACTS and FIGURES of
the Budget of 1910.**

The State this year needs 10 millions more
(most of it for Ships and Pensions), and all the
money is to be got

WITHOUT ANY NEW TAXATION.

The taxes of the Budget of 1909, which the
Peers did their best to destroy, will produce so
much more money this year than last that no new
taxes are now needed. This is only one more
proof of what a good Budget last year's was.

Stick to FREE TRADE

**under which the nation makes
both ends meet by putting**

The Biggest Burden on the Broadest Back.

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LEAFLET No. 2332.]

11/7/10.

[Price 2s. per 1000.]

THE LIBERAL BUDGET AT A GLANCE.

No New Taxation.

**No more old people over
70 deprived of their
Pension because of the
receipt of Poor Relief
(beginning on New Year's Day, 1911).**

**THE TORIES,
Who only promised Pensions,
now want to tax
YOUR BREAD-AND-BUTTER.**

WHY CANADIAN FARMERS DON'T LIKE PROTECTION AND DON'T WANT PREFERENCE.

Canada has a Protective tariff. Tariff Reformers tell you we ought to tax wheat so as to give a preference to Canadian wheat. If you want to know what Canadian farmers themselves think, read this Reuter telegram from Winnipeg (July 21st, 1910).

* * * * *

"A gigantic delegation of Western farmers presented a memorial to Sir Wilfrid Laurier, the Canadian Premier, to-day, in which they complained bitterly of the burdens imposed by the protective system, which, they declared, instead of providing revenue, only fattened the manufacturers and hampered the progress of the country.

"Western farmers, the memorial proceeded, did not ask for any protection for their products. They were willing that all should be placed on the free list, and they looked with disfavour on any fiscal or preferential tariff tending to enhance the cost of living to British artisans and labourers.

"They desired every possible facility for the free exchange of prairie food-products for the products of the congested factory districts of Great Britain. Duties should be levied for revenue only. As they were now levied they created a class whose interests were inimical to those of the masses of the people."

* * * * *

BE WARNED IN TIME!

**AVOID THE "EVILS IMPOSED BY THE PROTECTIVE SYSTEM" AND
STICK TO FREE TRADE.**

Published by the LIBERAL PUBLICATION DEPARTMENT (in connection with the National Liberal Federation and the Liberal Central Association), 42 Parliament Street, S.W., and Printed by Strangeways & Sons, Tower Street, Cambridge Circus, W.C.

LEAFLET No. 2334.]

27/7/10

[Price 3s. per 1000.

THE CANADIAN RAILWAY AND NAVIGATION COMPANY

The Canadian Railway and Navigation Company, Limited, is a public company incorporated in the Province of Ontario, Canada, and is authorized to carry on the business of a railway and navigation company.

The Company is authorized to carry on the business of a railway and navigation company, and is authorized to carry on the business of a railway and navigation company, and is authorized to carry on the business of a railway and navigation company.

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BE HONORED BY THE

STOCK IS FULL

PRICKING THE "TAX-YOUR-FOOD-TO-SAVE- THE-EMPIRE" BUBBLE.

When our Tariff Reformers started their campaign to revive Protection, their excuse was that they were so anxious to save the Empire. We were told that unless we abandoned Free Trade and set up a Tariff in which the Colonies got a Preference, the Empire was doomed. To take one instance, Canada was to be kept loyal by a tax on wheat.

If you want to know the truth about this matter, read what the Canadian Premier says. Speaking in Canada, on August 30th, 1910, SIR WILFRID LAURIER said:—

"It is not the policy of the Canadian Government to ask Great Britain to change her fiscal policy one iota. We make our own fiscal arrangements to suit our own interests, so it is with Great Britain. **I have heard it said that unless Great Britain gave Canada some mutual tariff arrangement there was danger of an estrangement of our Dominion. This is an insult to the Canadian people. Let the world know that the loyalty of Canada to the British Empire, of which she is proud to be a part, is not dependent on any tariff agreement. Canada is united to the Motherland in heart and in life, independent of all tariff arrangements.**"

There can be no mistake about the meaning of that. It pricks once and for all the Tory bubble that you must give up Free Trade to keep the Empire loyal.

IT WOULD BE A POOR SORT OF EMPIRE THAT WAS BUILT UP ON TAXING THE PEOPLE'S FOOD.

Published by the **Liberal Publication Department**, (in connection with the National Liberal Federation and the Liberal Central Association), 42 Parliament Street, Westminster, S.W., and Printed by BOWERS BROS., 89 Blackfriars Road, S.E.

LEAFLET No. 2335].

15/9/10.

[Price 2/- per 1,000.

THE CAT OUT OF THE BAG.

The truth about Tariff Reform has at last been revealed by a Tory M.P. (Colonel Rawson). Speaking at Dorking on July 20th, 1910, he said:—

“What they wanted to do was to make the rich richer, for it meant more work for the unemployed. As a result of the Budget there has not been the same amount of employment, and had the working-classes profited by that? What they wanted was a policy which would give more work and more employment, and which would allow the rich to become richer. Tariff Reform would have that effect.”

It is not true that unemployment has increased since the Budget passed but at last we know what Tariff Reform really “means.” It is to

**“ALLOW THE RICH
TO BECOME RICHER.”**

IF YOU DON'T WANT THE

Poor to become Poorer

Stick to Free Trade.

Published by the LIBERAL PUBLICATION DEPARTMENT (in connection with the National Liberal Federation and the Liberal Central Association), 42 Parliament-st., S.W., and Printed by Page & Thomas, Ltd., Chesham.

LEAFLET No. 2336.]

15/9/10.

[Price 2s per 1000.

PROTECTION DESCRIBED

By those who suffer from it.

“The history of Protection is : **FIRST**, establish and protect with reasonable duties the toddling infant; **SECOND**, greatly restrict or prohibit foreign importations; **THIRD**, consolidate all American producers, pay the lowest wages that can be wrung from labour, reduce to the last farthing the cost of production, and exact the utmost tribute from the consumer. The result is

GREAT FORTUNES FOR THE FEW
and
GREAT SUFFERING FOR THE MANY”

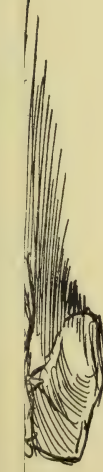
The above is an extract from the report of the Democratic Minority of the United States Committee on wages and prices of commodities.

NEVER FORGET THAT

A Vote for Tariff Reform is
A Vote for Protection.

Published by the LIBERAL PUBLICATION DEPARTMENT (in connection with the National Liberal Federation and the Liberal Central Association), 42 Parliament-st., S.W., and Printed by Page & Thomas, Ltd., Chesham.

WE'VE ALL GOT OUR TROUBLES!



29

[From the "WESTMINSTER GAZETTE."

SQUIRE : No, Hodge, I'm not at all well ! How the deuce can any landowner be well under this wretched Radical Government ? It's taken me a whole week to fill up those beastly land-tax papers !

HODGE (the Village Philosopher) : Well now, Squire, we've all got our troubles ! You've got more land than you can reckon up in a week, and I've never been able to get any land to reckon with at all !

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WE'VE ALL GOT OUR TROUBLES!

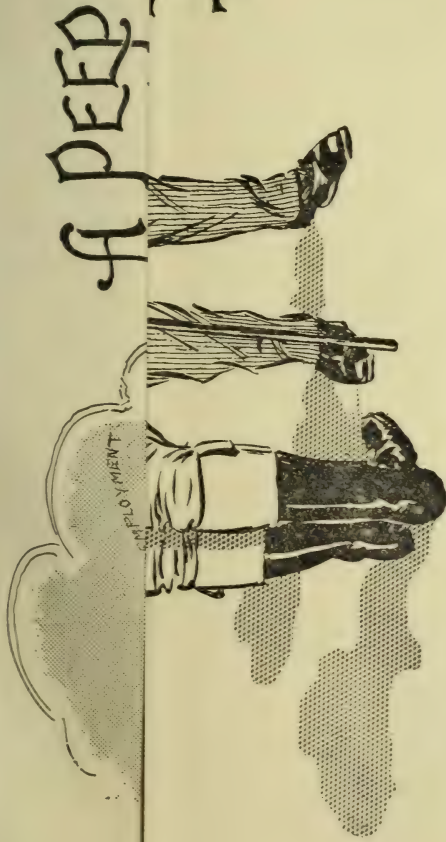


[From the "WESTMINSTER GAZETTE."]

SQUIRE : *No, Hodge, I'm not at all well ! How the deuce can any landowner be well under this wretched Radical Government ? It's taken me a whole week to fill up those beastly land-tax papers !*

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JOHN BULL: "But what's all that going on behind?"

TARIFF REFORMER: "That? Oh, you are not supposed to see that!"

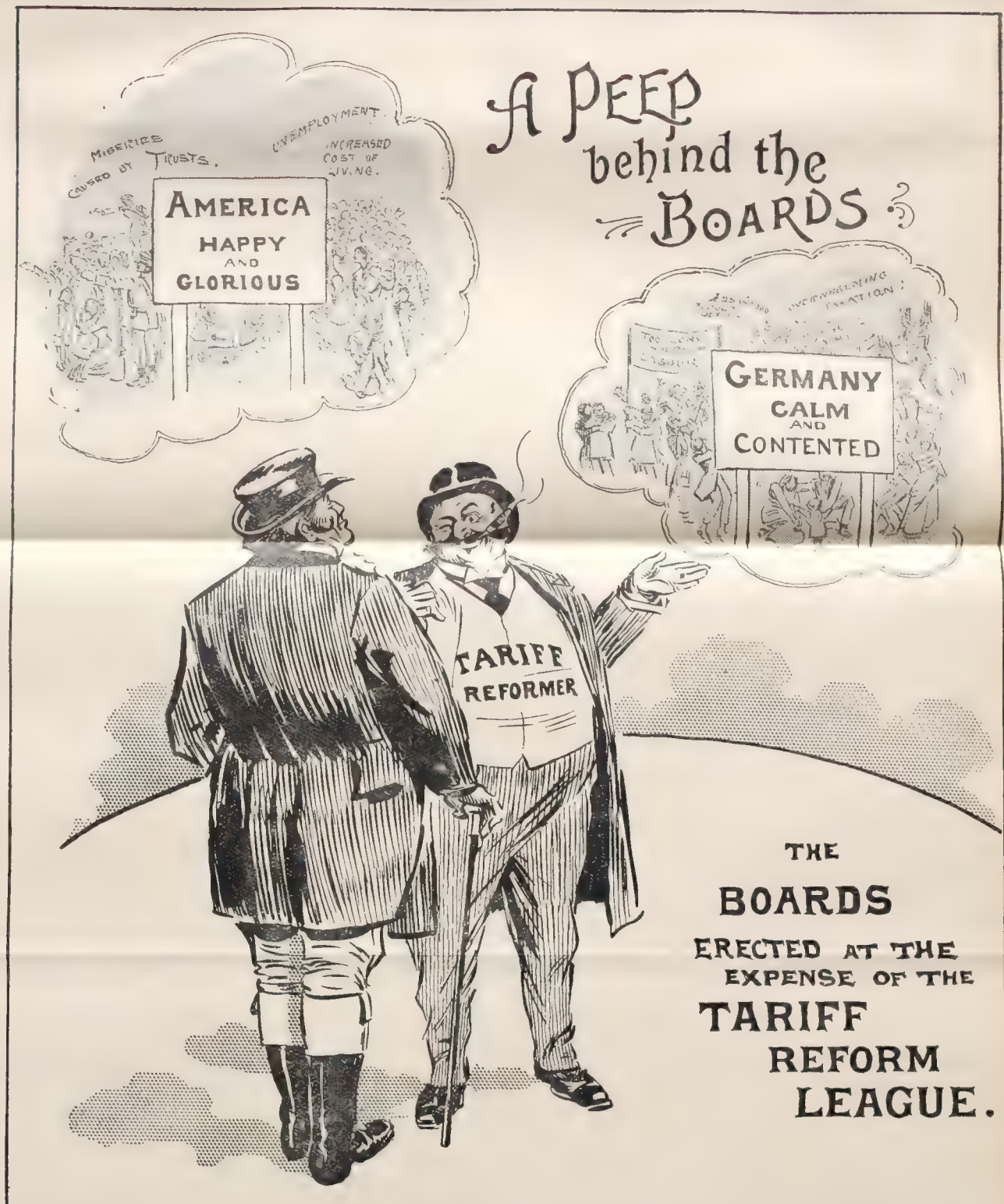
[But JOHN BULL does!]

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JOHN BULL: "But what's all that going on behind?"

TARIFF REFORMER: "That? Oh, you are not supposed to see that!"

[But JOHN BULL does!]

Published by the LIBERAL PUBLICATION DEPARTMENT (in connection with the National Liberal Federation and the Liberal Central Association), 42, Parliament Street, Westminster, S.W., and Printed by Waterlow & Sons Limited, London Wall, London; and 49, Parliament Street, Westminster.

THE LAND VALUE TAXES.

WHY ALL LANDOWNERS ARE ASKED TO FILL UP FORM IV.

ATTEMPTS, inspired by Party purpose, are being made to represent the sending of land valuation forms to small as well as large owners as indicating an intention on the part of the Government to tax all land. "Owners of land, whether they hold a small plot or a large one," says a Conservative leaflet which has been widely circulated, "have the Radical Promise of heavier and yet heavier burdens being thrust on them if the Radical Policy is continued." This is not true. The Liberal policy is expressed in the Liberal Finance Act, which, while **taxing the unearned wealth which finds its way into the pockets of the great landlords**, exempts the small owners from the new taxation. Why, then, it is asked, are the valuation forms issued alike to the man who only owns a small plot and the rich landlord who counts his possessions by the thousand acres? The answer to that conundrum is very simple. When the land-taxes were imposed it became necessary to have a valuation of all land in order to decide which was liable to the new duties and which was to escape. The small owner is required to furnish a valuation in order that he may be exempted, just as the large owner is called upon to value in order that the State shall secure the sums that are, or may be, due from him. The possessor of agricultural land or the small holder proves by filling up his form that he is entitled to freedom from taxation. The great bulk of those who get the form are asked to make a return, not that they may be taxed, but that they may escape taxation. Had the intention been to place burdens on all land, the form of the return might have been greatly simplified. The very complexity of the document—a complexity that has been absurdly exaggerated—arises from the anxiety that **no man shall be taxed who is not rightly subjected to taxation.**

Forms have been issued to all registered owners of land, be their holdings large or small. An immensely greater area of land will be exempted from taxation under the Finance Act than will have to pay any of the land-taxes. In order that the line may be drawn fairly between the various classes of property, it has been necessary to secure a rough valuation of all the land. That fact alone accounts for the general issues of the forms.

The Finance Act exempts from the Land Taxes all classes of land under the following heads.

EXEMPTED FROM THE INCREMENT LAND DUTY.

1. All agricultural land, including allotments, market gardens, and areas used for nurseries. Clause 7 of the Finance Act states that "Increment Value Duty shall not be charged in respect of Agricultural Land while that land has no higher value than its market value at the time for agricultural purposes only," and Clause 41 defines "agriculture" as including the use of land "for market gardens, nursery grounds, or allotments."

2. All small freeholders occupying houses owned by themselves and of not greater value than £40 a year in London, of £26 a year in towns of more than 50,000 inhabitants, and of £16 in less densely populated areas. (Clause 8.)

3. All land, urban or rural, occupied and cultivated by the owner where the holding does not exceed **50 acres** and the average value is not more than **£75 an acre.** (Clause 8.)

4. Increment duty is not charged where the increased value of the land is less than ten per cent., thus allowing that margin of untaxed profit to the owner. Whatever the increment may be, this ten per cent. of the site value is allowed to escape all payment to the State. (Clause 3.)

EXEMPTED FROM THE UNDEVELOPED LAND DUTY.

5. Any land of which the site value does not exceed £50 per acre. (Clause 17.)

6. Any area containing a dwelling-house which does not exceed an acre in extent. A site up to five acres in extent is exempt where the site value does not exceed twenty times the annual value of the gardens and dwelling-house (Clause 17). Where the gardens exceed five acres in extent, an area of five acres is exempted from tax, subject to this same proviso as to value.

7. All small holdings, occupied by the owner or by a lessee for a term of fifty years or more, when the total value of the holding does not exceed £500. (Clause 18.)

8. Public Parks, Gardens or Open Spaces, or any Woodlands, Parks, or Gardens in Private Ownership to which access is granted to the public. (Clause 17.)

9. Land which is used for the purposes of Games or other Recreations, where the Lease could not be determined for at least five years. (Clause 17.)

10. Land which is kept free from buildings as part of a definite scheme of development, as in the case of Garden Cities or suburbs. (Clause 17.)

EXEMPTED FROM INCREMENT DUTY AND REVERSION DUTY.

11. Short leaseholds under fourteen years are free from increment duty, and under twenty-one years from reversion duty. In the case of leases if purchased before April, 1909, this period of exemption from reversion duty is extended to **forty years.** (Clauses 4 and 14.)

EXEMPTED FROM THE UNDEVELOPED LAND DUTY AND REVERSION DUTY.

12. All land both owned and in the occupation of Charitable Institutions, Friendly Societies, Universities, Colleges, Schools, and Institutions for the promotion of Literature, Science, or Art. (Clause 37.)

Such is the list of concessions under the Finance Act. Their recapitulation makes clear why it is necessary to have a return from all landowners. If the State is to hold the balance even and relieve from taxation those who are entitled to relief, then it must have an accurate return of the present ownership of the land. The possessor of agricultural land or of a small leasehold or freehold who is asked to fill up a form does so in order that he may receive the concession which the law allows him. The filling up of an income-tax form is insisted upon not only to tax the receiver of an income, but in order that the man who is entitled to exemption or abatement may secure the allowances which the law grants him. The receiver of an income of less than £700 a year is given certain concessions. If a man's income be less than £160 a year he willingly sets out the facts in order that he may not be called upon to pay any tax. The holder of land which is not taxable under the Budget is in precisely the position of the man with an income of £160 a year. To him the filling up of a form at all may involve some personal inconvenience, but the slight trouble is willingly undergone in order that the claim not to be assessed may be successfully established.

Remember then that the receipt of Form IV. or of any other form is not a preparation on the part of the Government to apply the screw to the small owner, but is an endeavour to give to him the benefit of freedom from taxation already granted by the Finance Act.

The aim is to distinguish between the broad back upon which the heavier burden should be placed and the weak back which should go unburdened.

THE NEW LAW-BREAKERS

There is a great outcry about the form which landowners are asked to fill up in connexion with the taxes on land values.

The agitation is being worked and engineered by a body called the Land Union.

Mr. Pretzman, the President, says that this Land Union is **"expressly formed to RESIST,** and to ultimately secure the repeal of **the new Land-taxes."** In a private circular to property owners, the Land Union says: "If the advice given in the guide is generally followed, it is not too much to say that **the land-taxing operations of the Government may be rendered almost a dead letter."**

In other words, Mr. Pretzman and his land-owning friends, beaten in the House of Commons and at the General Election, are now busy resisting what is now the law of the land.

Why should landowners defy the law any more than any other class of citizens?

**SHOW WHAT YOU THINK OF THESE
LANDED LAW-BREAKERS BY
SUPPORTING THE LIBERAL PARTY.**

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LEAFLET No. 2341].

24/9/10.

[Price 2/- per 1,000.

THE REAL QUESTION.

Why the Landlord Party is Crying out.

THE Budget, which last year the Peers rejected, is now, as the result of the last General Election, the law of the land. **The country preferred Liberal taxes on land values to Tory taxes on food.** This was a bitter disappointment to the Tory party, and their last dodge is to get up a mean and insincere agitation against the land value taxes, so as to try and prevent their ever coming into operation.

All persons owning land have, in what is known as Form 4, been asked certain questions about their property, in order that the State may get the information necessary for collecting the new taxes and for the complete valuation of the land. There have been the **wildest exaggerations** as to the difficulty of filling up this form, although most of the questions are just those which, for other purposes, the tenant has often had to answer. There can be no possible hardship in asking the owner to give the same information.

What, then, is the meaning of all this fuss and fury? Why do those who once sang "We want Eight and we won't wait" now lift up their voice against Form 4? There is really no mystery about the thing. **The landlord party, at the risk of resisting the law, are trying to escape paying their fair share of taxation.** The louder they howl the more you may be sure that they are at last being made to give back to the State what the State can properly claim.

No one wants to treat the landowners unfairly, the greatest care is taken in the Budget not to press hardly on the small man. But the people of this country, knowing that land is like no other form of property, have made up their

mind that **the State ought to have a fair share of its increasing value, and that the land itself ought to be used for the advantage of the community as a whole.**

Just as Rome was not built in a day, so it will take some little time before the taxation on land values is in full working order. But once the system is fairly at work **these taxes will produce a large sum of money, and will make sure that the land is put to the best use.** Don't be deceived by the cry that the taxes are not worth the cost incurred in collecting them. Even the *Saturday Review*, a Tory paper which dislikes the taxation, admits that "in the end" the taxes will "produce a large revenue." It will also be far easier to get land for houses and factories in the towns, for cottages and small holdings in the country, and to get it at a fair market price.

Are you prepared to let the landlord party rob you of these benefits in order that they may tax your food?

That is the real question raised by the agitation to resist the new taxes. You can only answer it in one way if you want the land used for the benefit of the many instead of the profit of the few. "NO" must be your answer if you want to keep the wolf of Protection from the door of the workman's larder.

WHAT THE SMALL HOLDINGS AND ALLOTMENTS ACT DOES AND DOES NOT DO.

The Objects of the Act.

To encourage men to remain on the land by offering them some prospect of **attaining independence.**

To provide a **step ladder** by which the agricultural labourer who has the ability can rise through the different stages of allotment holder and small holder to be an **independent farmer.**

To do this by making it possible for the would-be holder of an allotment or small holding, who can show he is capable of successfully cultivating the land himself, to **hire** land from the Parish or County Council at a reasonable **farm rent.**

What the Act Does.

It makes the **Parish Council** the authority for **allotments** and puts upon the Parish Council and the County Council the duty of ascertaining whether there is, or is not, a demand for allotments; and where there is a demand it makes it the duty of the County Council **to see that the demand is met**, as far as is reasonably practicable.

It makes the **County Council** the authority for providing **small holdings**, and it appoints Small Holdings Commissioners, acting under the Board of Agriculture, to ascertain whether there is a demand for small holdings, and to see that the County Council does its duty towards **meeting any demand** that exists.

It gives the Commissioners power, if the County Council fails to do its duty, either in regard to allotments or small holdings, **to step in and carry the matter through.**

It gives the Councils power to **obtain land compulsorily** where it is not possible to obtain it by agreement.

It **cheapens** the process of obtaining land compulsorily, and provides that for the purposes of this Act the County Councils can raise loans at a very low rate of interest.

It provides for the opening at the Bank of England of a Small Holdings Account — into which Account the Chancellor of the Exchequer has paid **£100,000**— and from this Account certain of the charges incurred in obtaining land can be met.

It places the Councils, by these various provisions, in a position to supply land for allotments and small holdings at **a rent very slightly in excess** of that paid by the larger tenants for similar land.

It secures for the allotment holder and the small holder absolute **fixity of tenure** so long as he farms his land reasonably.

It gives the allotment holder and the small holder right to **compensation for their improvements.**

It enables the Councils to put up what **farm buildings** are required by allotment or small holders, and on holdings of one acre or upwards it enables the Councils to erect **dwelling-houses.**

What the Act Does Not Do.

It does not enable an applicant for an allotment or small holding to choose some particular piece of land, say, the **best field in the parish**, and demand that this piece and no other shall be allotted to him.

It does not provide that every applicant, whether he is likely to make a success of his holding **or not**, must be supplied with land. The fitness of applicants must be inquired into.

It does not enable Councils to provide **individuals with capital** to work their allotments or small holdings. Any assistance of this kind must come through a **credit bank.**

It does not throw any additional burden on **the rates**, as the Councils may not acquire land for the purposes of allotments and small holdings unless they can see their way to sell or re-let in such a way as to secure themselves against loss.

It does not enable land to be acquired compulsorily without first giving all parties interested ample oppor-

tunities of presenting **any grievances** they may think they are suffering from.

It does not permit the taking of the whole or part of a **park, garden, or home farm** under a compulsory order, nor any land required for the amenity or convenience of a dwelling-house, and the Councils are to avoid taking an **undue or inconvenient quantity of land** from any one landowner or tenant, nor may a holding of 50 acres or less be taken under the Act.

How to Use the Act.

To obtain the fullest benefits under the Act, applicants for land in any given village or district should form themselves into **Small Holdings and Allotment Societies, working on co-operative lines.**

In connection with these Societies, **credit banks** could be formed.

Members of the Societies would also get the advantages of co-operative purchases of seeds, manures, implements, etc., and would be in a better position to arrange for the profitable distribution of their produce.

The Act specially provides that Councils may deal with such Societies, and in certain circumstances render them assistance.

**THE ONLY WAY
TO PROTECT
YOUR
VOTE
IS TO
GET RID OF THE
LORDS'
VETO.**

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EAFFLET No. 2344.]

18/11/10.

[Price 2s. 6d. per 1,000.

?

Which will you be—

PEERS'

MEN

or

FREE

MEN

Give the LAST WORD
in legislation to
The House of Commons
which
you YOURSELVES elect.

Published by the LIBERAL PUBLICATION DEPARTMENT (in connection with the National Liberal Federation and the Liberal Central Association),
42, Parliament Street, S.W., and Printed by Jas. Truscott & Son, Ltd., Suffolk Lane, London, E.C.
LEAFLET No. 2346.] 18/11/10. [Price 2s. 6d. per 1,000.

"TARIFF REFORM"
would let off the RICH
in order to
TAX THE POOR.

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42, Parliament Street, S.W., and Printed by Jas. Truscott & Son, Ltd., Suffolk Lane, London, E.C.
LEAFLET No. 2347. 18/11/10. [Price 2s. 6d. per 1,000.]

Is the Liberal Government “ Extravagant ” ?

The Tories say it is, but what are the facts?

In the last Tory year (1905-6) the amount raised by taxation was £129,776,290. In the present year (1910-11) it is estimated that the total will be £142,455,000.

Here we have an increase in taxation of £12,678,710 since the Liberals came into power in 1906.

But before we can say that the increased total in taxation is a proof of “extravagance,” we must see how the money is actually being spent.

There are two sources of extra expenditure which together more than account for the whole 12 $\frac{3}{4}$ millions:—

(1) In 1910-11 the amount spent in	£
OLD AGE PENSIONS will be	9,670,000

[Not a penny piece was ever spent on this object by the Tories whilst they were in power].

(2) In 1910-11, the extra amount to be	
spent on the NAVY over and above	
the amount the Tories spent in 1905-6	
is	7,304,000
	£16,974,000

Now if the Tory complaint of “extravagance” means anything at all, it must mean that if they come into office they will cut down the expenditure. But they are indignant at the mere suggestion that they would interfere with pensions, whilst they want even more money spent on the Navy.

The Tory cry of “Extravagance” is foolish and insincere. Ask your Tory friends if they dare to object to

OLD AGE PENSIONS AND A STRONG NAVY.

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LEAFLET No. 2348].

17/11/10.

[Price 2/- per 1,000,

A DOZEN QUESTIONS TO TARIFF REFORMERS.

(1) If the aim of Tariff Reform is to keep out foreign goods from this country, why not put on a tax of 100 per cent.? Tariff Reformers only advocate a tax of 5, 10, or 15 per cent. If it is good for the British working man that those foreign goods should be kept out, why not make the tax 100 per cent.?

(2) If the foreigner pays the tax, why not let him pay a tax on raw material? If the aim of the Tariff Reformer is to increase trade with the Colonies, why tax Colonial wheat, which at present comes into Great Britain free? Or, if they do not want to tax Colonial wheat, where is the protection for the British farmer?

(3) If tariffs keep out the goods of a foreign country how is it that Protectionist countries such as Russia, Germany, France, Belgium, Austria, the United States, Italy, and Spain buy from Great Britain ever increasing quantities of goods?

(4) If Free Trade is as bad as we are told, how is it that our trade is increasing by leaps and bounds?

(5) If Tariff Reform is a remedy for unemployment, poverty, and slums, how is it that Germany, Belgium, France, the United States, Italy, and Austria—all Protectionist countries—have unemployment, poverty, and slums?

(6) If Protection is good for working men, why have Frenchmen, Germans, Austrians, and Belgians lower wages and longer hours than British workmen?

[OVER.]

(7) Can Tariff Reformers explain why the working men in Germany and France and other Protectionist countries are agitating against their Protective tariffs ?

(8) If Protection was such a good thing, why did British workmen revolt against it when it existed in this country before the repeal of the Corn Laws ?

(9) Why is it that Protectionist countries have a deficit each year, although they put on taxes every year whilst Free Trade England, with a diminished taxation on sugar and tea, has paid off over £50,000,000 from the National Debt since 1906 ?

(10) Why are the supporters of the Tariff Reform League dukes, earls, barons, landlords, monopolists, and manufacturers ?

(11) If the Tariff Reform League's propaganda is good for the working man, how comes it to be that the League does not contain a single Labour Member of Parliament ?

(12) If Protection is good for the working man, why is Socialism, which the Tariff Reformers dread so much, increasing in Germany ?

**Until these questions are
satisfactorily answered
you will do well to**

STICK ^{TO} FREE TRADE

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LEAFLET No. 2349.]

18/11/10.

[Price 3s. per 1,000.

What the American People think of their "Scientific" Tariff.

In the United States the Republican Party—the party which is responsible for the Payne Tariff—has just been severely beaten at the elections. Why? Here are three extracts from Unionist papers which tell you the reason:—

“The best immediate explanation of the Republican *débâcle* is probably the unpopularity of the Payne Law, aggravated by high prices.”—(TIMES, *November 9th*, 1910.)

“Various influences have contributed to these results, but there is no doubt that the predominating one arose from disappointment at last year's failure to make the promised downward revision of the tariff. The signs of this have been unmistakable, and every effort to counteract it has been futile. The prevalence of high prices and the high cost of living have been largely attributed to this cause, rightly or wrongly, and have had much effect upon popular feeling.”—(DAILY TELEGRAPH, *November 9th*, 1910.)

“Discontent with the Republican tariff, produced by the increased cost of living, is wholly blamed for the expected reversal of the country's political preference. Local causes have helped in many cases, as in New York, where Mr. Roosevelt's savage criticisms of the Courts, and of his opponents for the first time, have affected his popularity. The tariff, however, is the chief cause of complaint, and its revision is a mere question of time.”—(OBSERVER, *November 6th*, 1910.)

BE WARNED IN TIME!

**The best Safeguard against a Protective Tariff is never to have one by sticking to
FREE TRADE.**

WHY WE MUST GET RID OF THE LORDS' VETO

It is not merely because the House of Lords, with its present powers and constitution, is an absurdity that the Lords' Veto calls for strong treatment. Many of the Tories see and admit quite plainly that the hereditary principle cannot be defended ; that a body of which two-thirds of the Members constantly neglect their duties is bound to be a laughing-stock to men of common sense ; that for one of the two branches of Parliament to be drawn from a single class disturbs the whole balance of government.

But it is not to reverse an out-of-date absurdity that the strict limitation of the Lords' Veto is a matter of urgent necessity. **It is because the Lords' Veto is a fatal bar to progress. Progress is impossible while the Lords' Veto remains untouched.**

1. LAND AND HOUSING REFORM.

To Land and Housing Reform the Veto of the Lords is a perpetual obstacle. As a House of Landlords they are always hostile to measures for giving the tenant fair compensation for improvement ; for opening up the land to the people ; and for abolishing slums. Lord Ridley has boasted

On February 7th, 1910, a *Times* article on our Navy thus summed up its position as compared with the German and American Navies :—

“The position about May should be—ten British, four German, and two American battleships and cruisers of the Dreadnought type completed. Before December, however, two more British ships will be added to the list, and possibly one German, the ‘Von der Tann.’ Thus, for this year, in spite of the acceleration in construction abroad, **the two-Power standard**, as well as that of the two keels to one, **will have been more than maintained.**”

*

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On the following day, February 8th, 1910, a *Times* article on the German and the United States shipbuilding programmes summed up the situation as follows :—

“If Germany succeeds in completing all the ships of her 1909 programme by March, 1912, she will have thirteen vessels of the Dreadnought type in the water to our twenty. At the same time the United States will have six Dreadnoughts complete; so that at that date we shall have maintained the two-Power standard in Dreadnoughts, while our preponderance in pre-Dreadnought ships, including the two Lord Nelsons, will be more than equivalent to a 10 per cent. margin.”

SO MUCH FOR THE BOGY TALES

about Liberal neglect of the Navy circulated
last January by the Tories and
THEIR DEAR FRIEND, MR. BLATCHFORD

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A COMPARISON IN FOOD TAXES.

The Tories want more Taxes on Food.

In the ten Tory years, 1895 to 1905, the Tories put on Food Taxes to the amount of $8\frac{1}{4}$ millions a year:—

Tea (4d. to 6d. per lb.)	- -	£2,100,000
Sugar (4s. 2d. per cwt.)	- -	£6,100,000
Tory <u>Increase</u>		£8,200,000

Since 1906 the Liberals have reduced the Taxes on Food by $4\frac{3}{4}$ millions a year:—

Tea (6d. to 5d. per lb.)	- - -	£1,100,000
Sugar (4s. 2d. to 1s. 10d. per cwt.)		£3,700,000
Liberal <u>Decrease</u>		£4,800,000

For the last thirty years no Liberal Government has ever imposed any new Tax on Food.

Which of these two records
do YOU like the best ?

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and Printed by BOWERS BROS., 89 Blackfriars Road, S.E.

720,000

(Seven Hundred and Twenty Thousand)

OLD MEN AND WOMEN

of over **70** now get a State Pension every week,
more than nine out of every ten getting the full

5s. A WEEK

The disqualification for poor relief ends on New Year's Day, 1911. This will bring the number of persons entitled to a pension up to nearly

ONE MILLION

The way to support the party which GOT the pensions is to

VOTE LIBERAL

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LEAFLET No. 2354.]

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[Price 2/- per 1000.]

THE LORDS AND GOVERNMENT BILLS, 1868-1910.

SMALL LANDHOLDERS (SCOTLAND) BILL, 1903, rejected.

LAND VALUES (SCOTLAND) BILL, 1908, wrecked.

LICENSING BILL rejected.

COAL MINES (EIGHT HOURS) ACT mutilated.

LONDON ELECTIONS BILL rejected.

IRISH LAND ACT mutilated.

HOUSING AND TOWN-PLANNING ACT mutilated.

SCOTCH HOUSE-LETTING BILL wrecked.

FINANCE BILL of 1909 rejected.

Note that in this 42 years' record not a single Tory Government Bill has been rejected or mutilated.

THE HOUSE OF LORDS is, in fact, an UMPIRE which always gives its own side in. Little wonder that MR. CHAMBERLAIN once said :—

“The House of Lords has become, so far as the majority is concerned, a mere branch of the Tory Caucus, a mere instrument of the Tory organisation.”

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18/11/10

[Price 4s. 6d. per 1000.

THE LORDS AND GOVERNMENT BILLS, 1868-1910.

“A mere branch of the Tory Caucus.”

Here is a comparative record of the treatment of Government Bills by the House of Lords since 1868:—

GOVERNMENT BILLS BROUGHT IN BY

LIBERAL MINISTRIES.

1868—1874.

UNIVERSITY TESTS BILL **rejected** (twice).
LIFE PEERAGE BILL **rejected**.
BALLOT BILL **rejected** and subsequently **mutilated**.
ARMY PURCHASE BILL **defeated**.
RATING (LIABILITY AND VALUE) BILL **rejected**.

1880—1885.

COMPENSATION FOR DISTURBANCE (IRELAND) BILL **rejected**.
LAND ACT (IRELAND) **mutilated**.
ARREARS ACT (IRELAND) **mutilated**.
AGRICULTURAL HOLDINGS ACT **mutilated**.
FRANCHISE BILL **rejected**.

1885—1886.

1892—1895.

HOME RULE BILL **rejected**.
EMPLOYERS' LIABILITY BILL **wrecked**.
PARISH COUNCILS ACT **mutilated**.
LONDON IMPROVEMENTS BILL **mutilated**.
SUCCESSION TO REAL PROPERTY AMENDMENT BILL (abolishing primogeniture) **rejected**.
RAILWAY SERVANTS (HOURS OF LABOUR) ACT **mutilated**.
EVICTED TENANTS BILL **rejected**.
LOCAL GOVERNMENT (SCOTLAND) ACT **mutilated**.

1906—1910.

EDUCATION BILL **wrecked**.
PLURAL VOTING BILL **rejected**.
SMALL LANDHOLDERS (SCOTLAND) BILL, 1907, **wrecked**.
LAND VALUES (SCOTLAND) BILL, 1907, **rejected**.
EVICTED TENANTS (IRELAND) ACT **mutilated**.
SMALL LANDHOLDERS (SCOTLAND) BILL, 1903, **rejected**.
LAND VALUES (SCOTLAND) BILL, 1908, **wrecked**.
LICENSING BILL **rejected**.
COAL MINES (EIGHT HOURS) ACT **mutilated**.
LONDON ELECTIONS BILL **rejected**.
IRISH LAND ACT **mutilated**.
HOUSING AND TOWN-PLANNING ACT **mutilated**.
SCOTCH HOUSE-LETTING BILL **wrecked**.
FINANCE BILL of 1909 **rejected**.

TORY MINISTRIES.

1874—1880.

1885

1886—1892.

1895—1900.

1900—1905.

EDUCATION ACT **amended** in interests of the Church.

Note that in this 42 years' record not a single Tory Government Bill has been rejected or mutilated.

THE HOUSE OF LORDS is, in fact, an UMPIRE which always gives its own side in. Little wonder that MR. CHAMBERLAIN once said:—

“The House of Lords has become, so far as the majority is concerned, a mere branch of the Tory Caucus, a mere instrument of the Tory organisation.”

“HOW SHALL I VOTE?”

That it is a question which millions of electors have now to ask themselves. Grave and important consequences hang upon a right answer being given to the question.

Remember that it is a duty you owe to yourself and your fellow-citizens to vote for the Party to which, in your honest opinion, can best be entrusted the task of governing the country during the next Parliament.

Remember that the ballot was made secret for the express purpose of allowing you to record your vote without fear or favour.

Turn over the page and read what you find there if you want to know how on election day you should vote.

THE EMPIRE.

The Tories are fond of proclaiming that only in their hands is the Government of the Empire safe and successful. It is an impudent and foolish boast.

Our foreign relations have never been more satisfactory, nor has our prestige abroad stood higher than under the administration of Sir Edward Grey, the Liberal Foreign Secretary.

The Liberal Government has carried through a great policy of Indian Reform, associating the natives of India more closely with the government of their country.

The inauguration, under the happiest circumstances, of the South African Federal Parliament bears witness to the miracle wrought by the Liberal gift of self-government, which Mr. Balfour described as the "most reckless experiment" ever tried. The Colonies, to which Tariff Reformers have slanderously imputed the intention of breaking away from us unless we consent to a food tax, have under a Liberal Government co-operated in a scheme of Imperial Defence.

**For the Sake of the Empire
VOTE LIBERAL.**

IMPERIAL DEFENCE.

The British *Navy* has never been stronger than it is to-day. The Liberal Government has improved the type of ships and guns, raised the standard of gunnery and increased the efficiency of the Navy all round. The constant aim of the Liberal Government has been, and will be, to maintain an ample margin of superiority, without incurring wasteful expenditure by "lumbering up" the fleets with ships built in panic haste, only to become obsolete in a few year's time.

The *Army*, under a Liberal Government, has been thoroughly reorganised on a business footing. For the phantom Army Corps of the Tory War Office, Mr. Haldane, the Liberal Secretary for War, has substituted a striking force, fully equipped and always ready. In the Territorial force, created by the Liberal Government in 1908, the country has for the first time a completely organised second line for Home Defence. The Liberal Policy means—A better Army for less money; no more unpreparedness; no more extravagance; and **NO CONSCRIPTION.**

**For the Sake of Imperial Defence
VOTE LIBERAL.**

SOCIAL REFORM.

The Liberal Government, during five years of office, has passed a long series of measures improving and raising the conditions of life of the great mass of the people. The Old Age Pensions Act—for the third reading of which in the House of Commons only 12 Tories voted—has brought hope and comfort into some hundreds of thousands of

families. Under it some 720,000 persons receive pensions, and the vast majority of them obtain the highest sum payable, five shillings a week. The number will be largely increased after the removal of the pauper disqualification on January 1st, 1911.

By the creation of Labour Exchanges the Liberal Government has facilitated the finding of employment, and it will in 1911, if returned to power, introduce a great measure for insurance against unemployment, to be followed by insurance of the worker against invalidity. The Housing and Town Planning Act makes provision for sanitary dwellings for the working classes, grapples with the evil of overcrowding and will give us healthier and more beautiful towns. The Trade Boards Act for the first time applies a remedy to the grave evil of sweating. The Small Holdings Act is opening up to the rural labourer a career on the land, while measurers such as the Trade Disputes Act, Workmen's Compensation Act, Notice of Accidents Act, Employment of Women's Act, Children Act, and Miners' Eight Hours Act, safeguard the worker in his right to effective combination, protect him in life and limb, shorten his hours of labour, and extend the care of the State to those classes of the community that by reason of sex or age are in special need of it.

For the Sake of Social Reform VOTE LIBERAL.

JUST TAXATION.

It is a fundamental principle of Liberal Policy that taxation should be adjusted to the ability to pay. While the Liberal Government has in four years, 1906-10, reduced by 51 millions the National Debt which the Tories, in ten years, 1896-1906, increased by 87 millions, it has lightened the burden of taxation for the great mass of the people. The Tory Sugar Tax has been cut down by more than half (the Tory tax of 4s. 2d. per cwt. reduced to 1s. 10d.); the tax on tea reduced by a penny a pound, from 6d. to 5d.; and the Income Tax reduced to 9d. in the £ on all earned incomes of not more than £2,000 a year. Mr. Lloyd George's great Budget of 1909-10 has opened up new sources of revenue for the growing requirements of National Defence and Social Reform without putting one penny of tax on any necessity of life. Neither the industry nor the necessity of the nation has been taxed, but those to whom the community grants special privileges have merely been asked to make a fair return for their privileges.

For the Sake of Just Taxation VOTE LIBERAL.

FREE TRADE.

Whether we look at the experience of other countries under Protection, or of our own country under Free Trade, we find that the case of those who urge that we should abandon our policy of open ports has been utterly falsified.

In all the great Protectionist countries of the world, the workers are in a state of seething discontent because Protective tariffs have enormously increased the cost of living without a corresponding increase of wages. Mr. Chamberlain declared in 1903, that we must adopt "Tariff Reform," because our industries were all "going." But ever since he started his campaign our dead and dying industries have been going up by leaps and bounds. Since the last Tory year of office our Export trade has increased by nearly one hundred and seven millions. The proportion of raw material which we import, and of manufactured goods which we export, is constantly increasing. Judged by every test which Mr. Chamberlain says should be applied to measure the prosperity of a nation, our advance has been extraordinary. The Tories want to impose tariffs which would make living immensely dearer, and competition with foreign rivals immeasurably more difficult. The Liberals demand Free Trade for an abundant food supply and a booming commerce.

For the Sake of Free Trade VOTE LIBERAL.

FREE INSTITUTIONS.

The Liberal policy means "The government of the People, by the People, for the People," and Liberals therefore demand that the will of the People, expressed through their elected representatives, shall prevail. The Tories claim that the will of a hereditary House of Landlords, elected by no one and responsible to no one, shall prevail. The House of Lords, at the instigation of the Tory caucus, has claimed to have the last word in general legislation, and to over-ride the decision of a House chosen by over six millions of electors.

They have done more than this. They have claimed a control over Finance, which has belonged, without interference or qualification, to the House of Commons for hundreds of years. The House of Lords has flouted the mandate of the people, overridden the privileges of the House of Commons, and by refusing Supply and forcing a dissolution, usurped the privileges of the Crown. They have attempted to set up a dictatorship in a country proud above all things of its Free Institutions. The Liberal Government has declared that this shall not be. The Liberal Government has declared that henceforth, in the general legislation of this country, the **last word** must remain with the popularly elected House of Commons, and that in Finance, the House of Lords must have **no word** at all.

For the Sake of Free Institutions VOTE LIBERAL.

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WHAT TORIES THEMSELVES HAVE SAID ABOUT THE HOUSE OF LORDS.

(1) That it is an unfair Assembly.

"Is it possible to defend the existing disparity of party representation in the House of Lords? If—as most persons conceive—it is not, what change is required in this respect? Evidently not a change which would produce identical results under less assailable forms. What is required is such a House of Lords as will give to the Liberal party when in power as good a chance—or as bad a chance—of carrying their legislation as it will give to the Conservative party when in power. I add the alternative 'or as bad a chance,' because it is quite conceivable that a more evenly balanced Second Chamber might reject—and in doing so might reflect public opinion—both our Education and Licensing Bills, and the Government Education and Licensing Bills. Be the chance good or bad, it should be the same for both parties."—MR. F. E. SMITH *in the TIMES*, June 15th, 1910.

(2) That it is out of touch with the People.

"I am in favour of a change which shall bring us outwardly and visibly into closer touch with the democracy of this country."—LORD LANSDOWNE, *March 17th*, 1910.

"What we do want is a thorough reform, which will bring the composition of the House of Lords more in touch with the people of this country than is possible with the present assembly."—LORD CROMER, *February 15th*, 1910.

(3) That it ought to be subordinate to the House of Commons.

"Nobody, in these days, pretends that in our democratic country the House of Lords has co-ordinate and co-equal authority with the House of Commons."—MR. A. CHAMBERLAIN, *June 27th*, 1910.

(4) That it does not check Tory Governments.

"There is one argument that always impresses me as a good one, namely, that the House of Lords is an insufficient check upon a Conservative Government."—LORD H. CECIL, *March 30th*, 1907.

[OVER

(5) That it is neither "defensible," "justifiable," nor "tenable."

"What I think had been borne in upon those noble lords who took part in the recent election, was that the present state of things is indefensible in theory, that it cannot be justified in principle, and that, therefore, we can hardly represent it to the voters as being tenable in practice."—LORD NEWTON, *March 15th, 1910.*

(6) That it has "elements of weakness."

"I admit that there are points of weakness in the House of Lords. One is, that a peer is a born legislator."—LORD FABER, *October 24th, 1910.*

"It is, I think, generally admitted now that the almost exclusively hereditary basis upon which this House rests, the absence from it of any representative character, its too close connection with and over-representation of the landed interest, its comparative disassociation from certain interests, such as industry, commerce, and labour, and the consequent predominance within the House of one political party, its unwieldy size, involving the occasional attendance of a large number of peers who take no habitual part in its proceedings, and many of whom may be unfit to do so—it is admitted that these are elements of weakness. I think it must also be admitted that they are elements which tend in themselves to produce that incompatibility of temper between the two Houses which leads to differences, and makes those differences difficult of adjustment."—*The late DUKE OF DEVONSHIRE, May 7th, 1907.*

(7) That it is "too uniform in character."

"As a revising and criticising chamber, the House of Lords is too uniform in character. With the exception of a few lawyers and bishops, all its members come from the land-owning class, and upon other questions (*than land*) they have not the same opportunity of forming well-balanced opinions."—LORD DUDLEY, *July 4th, 1894.*

(8) That it is "a great danger to the State."

"I feel strongly that the abnormal majority on the Unionist side of the House is a great danger to the State."—LORD HARRIS, *March 22nd, 1910.*

The best way to mend matters is to deprive the Peers of their power of Veto.

Mr. Churchill on the Peers.

*(From a letter to his Constituents,
November 14th, 1910).*

A grave crisis has supervened in political affairs. The failure of the Conference leaves us confronted with the absolute Veto of the House of Lords. All that friendly discussion, prolonged in earnestness and candour for so many months, could do has been done, and has been done in vain. The Conference has dispersed, but the grievances which it was to compose remain. They remain in all their original harshness and unfairness, **undisputed, unmodified, and unredressed.**

The Conservative party seek to hold a definite and permanent superiority in the Constitution over all other forms of political opinion. Whether in office or in opposition, to quote the words of their Chief Whip, they mean to govern the country. They claim that through the House of Lords they shall remain possessed, no matter how great the majority against them, of an all-powerful Veto, which they can use at their own good pleasure to wreck all legislation they do not like, and to harass, damage, and finally dissolve every Government and every House of Commons of which they are not masters. They assert themselves to be a superior political caste. They refuse equal rights to their fellow citizens. They demand that their opinions and their interests shall enjoy a favouritism and a privilege within the law above every other class of his Majesty's subjects. This must end. It must end finally, and it must end now. **We are resolved to win by every lawful means for ourselves, and for those who come after us in the world, a fair and equal Constitution for our country. We seek nothing more. We will take nothing less.**

The last Parliament was violently broken up after it had sat less than five years through the Tory Party using their House of Lords Veto to destroy the Budget and to paralyse the Executive by stopping supplies of money to the Crown. In every year but one of that Parliament the Tory leaders employed this same oppressive Veto to ruin the main work of the House of Commons in each succeeding Session, and the Education Bill, the Plural Voting Bill, the Scottish Land Bill, and the Licensing Bill were in turn rejected.

The present House of Commons, although it was only elected in January, is, in spite of its large progressive majority, held in the same intolerable grip. There is scarcely a single considerable political

question upon which we should be allowed to legislate. The Scottish electors ask for the Land Bill. **Veto!** The British electors have returned large majorities in two successive Parliaments to put an end to the abuse—treated as a criminal offence in other countries—of one man casting his vote over and over again at the same election. **Veto!** The Welsh electors seek the disestablishment of a Church imposed upon them from without and to which the great majority of Welshmen do not adhere, but for which they are all made to pay. **Veto!** Ireland still, in Mr. Gladstone's phrase, "stands at the bar and waits." **Veto!**

There is not one of these issues on which we do not possess an effective majority in the present House of Commons. There is not one of these issues on which we did not possess an effective majority in the last House of Commons. There is not one of them which would not at once be met by Veto—utter, blank, sullen Veto. There is in fact no path to progress, however hopeful, that is not barred, no Liberal majority, however large, that is not over-ridden, no House of Commons, however newly elected, that exists except on sufferance. All roads lead to Veto. At the end of every legislative avenue loom the portals of Lansdowne House. We cannot get forward. We have nowhere to turn but to the nation, from whose recorded will all just powers of government are derived.

And while on the one hand the Veto of the House of Lords bars all progressive legislation, it offers no security against reaction. If a Conservative majority of only a score were returned to the House of Commons, they would hold themselves entitled to make the whole revolution of setting up a protective tariff, including the taxation of bread and meat, and thus, as we believe, hamper and derange British industry, corrupt British politics, spoil our good relations with the Colonies, and aggravate the burdens of the poor. They would do this without the slightest check or hindrance from the House of Lords. **Was ever inequality more scandalous? Was ever injustice more glaring? All classes are to have votes; but only Tory votes are to count. All parties may form Administrations, but only Tory Administrations are to exercise power. All men may express their opinions, but only Tory opinions shall prevail.**

WE CAN SUBMIT NO LONGER TO THIS USAGE. THIS IS OUR LAND AS MUCH AS THEIRS. WE HAVE AS GOOD A RIGHT IN BRITAIN AS THEY. WE CHERISH THE GLORIES OF THIS FAMOUS ISLAND AS DEARLY; WE HAVE GUARDED ITS HONOUR AND ITS INTERESTS AT HOME AND ABROAD WITH GREATER SUCCESS; OUR SAFETY, OUR PROSPERITY, NOT LESS THAN THEIRS, ARE FOUNDED UPON THE ENDURING WELFARE OF THE BRITISH REALM. WE HAVE LONG CLAIMED EQUAL POLITICAL RIGHTS IN THE CONSTITUTION OF OUR COUNTRY. NOW WE ARE GOING TO TAKE THEM.

TORY PEERS ADMIT—

That "Appearances are Against the Lords."

"It must be candidly admitted, though he did not like doing it, that appearances were against them. That was really the strong point of their adversaries' case. Although it was very wrong of him to do so, he could not help sympathising once in a way with noble lords opposite in the position in which they found themselves. Their contention, and the contention of their followers in the country, was that that House never interfered with Conservative legislation, but destroyed and mutilated Liberal legislation."—LORD NEWTON, *House of Lords*, March 15th, 1910.

That many of the Lords Neglect their Duty.

"It was known even in the deepest and darkest recesses of those backwoods supposed to be inhabited by noble lords, that resolutions of the utmost importance were going to be brought up yesterday. It would be impertinent to criticise the reasons why noble lords were not present, but in the country it would be taken as showing a considerable want of appreciation of their duties when only a quarter or a third of their number attended."—LORD HYLTON, *House of Lords*, March 22nd, 1910.

That the Lords have not the "Confidence and Esteem" of the People.

"For my own part, the essence of all reform is that we should endeavour to render your lordships' House more popular—I do not mean more popular in the narrow application of the term, as enabling it to catch votes at an election, but more popular in the sense of being more deeply rooted in the confidence and esteem and support of that, which is, after all, the source of all political momentum, all strength, all power in this country—namely, democracy itself."—LORD CURZON, *House of Lords*, March 16th, 1910.

That the Lords are not in contact with the Lives, Aspirations, and Needs of the People.

"What do we want to secure in reforming the House of Lords? In the main, I take it, we want to widen the basis of this House in public esteem, and to bring it into closer contact than it is in now with the life, the aspirations, and the needs of the democracy at large."—LORD CURZON, *House of Lords*, March 16th, 1910.

That many Peers ought not to be in the House.

"It could hardly be denied that . . . there were many existing peers who perhaps, so far as the original purpose of the House of Lords was concerned, had little to justify their position."—LORD HALIFAX, *House of Lords*, March 22nd, 1910.

That the Country believes the Lords are Partisans.

"However sincere and impartial we may be, the country is profoundly convinced that we are not impartial."—LORD LANSDOWNE, *House of Lords*, March 17th, 1910.

That the "Great Body of Reasonable Opinion" is against the Lords.

"There was undoubtedly a feeling of restiveness amongst those who formed the great body of moderate and reasonable opinion in the country, and even amongst some of their own supporters, who thought that a change in the constitution of that House was desirable."—LORD DENBIGH, *House of Lords*, March 22nd, 1910.

That the House of Lords is "Indefensible," "Unjustifiable" and "Untenable."

"What he thought had been borne in upon those noble lords who took part in the recent election was that the present state of things was indefensible in theory, that it could not be justified in principle, and that, therefore, they could hardly represent it to the voters as being tenable in practice."—LORD NEWTON, *House of Lords*, March 15th, 1910.

**Don't be led away by Tory Talk about
their scheme of Reform. What they are
after is a Second Chamber which will
still contain enough Tory Peers effectually
to bar the way to Progress.**

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18/11/10.

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TAKE CARE that
the House of Commons
which you YOURSELVES
are now electing
shall no longer be
at the mercy of
a handful of PEERS.

THE HOME RULE SCARE.

The Tories always try to win a General Election by getting up a scare. Indeed, they generally have several scares going in order to try and frighten the voters into their camp.

This time we have **the Home Rule boggy** trotted out again in order to try and revive all the old doubts and fears.

Don't be deceived by this Tory game.

For game it is. Before the Conference on the Lords question failed a large section of the Tory Party was arguing **in favour of settling the Irish question** by allowing Irishmen the control of their own local affairs.

'Take the OBSERVER, a London Tory paper, which led the movement in favour of the rejection of the Budget by the Peers. "Recent utterances and efforts, public and private," said the OBSERVER, in October, "have made it quite certain that **the battle of Home Rule can never again be fought by any party on the old lines.**" A "new and quieter Ireland has come into existence." "Devolution in some form is inevitable." Unionism is doomed if it waltzes to war under the device of "**death or Dublin Castle.**" "In repudiating the Federal solution, which is the very principle of Union for all modern States dealing with problems like this—**the Dominions will not be with us,** and even the party of Preference and Tariff Reform will find itself appealing to

Greater Britain in vain." "If there is to be no change in the Unionist policy, a struggle upon the old lines will be attempted, but with **not a shadow of probability that it will be attended by the same success.**

Now, less than a month later, **these very same people are trying to work up an anti-Irish agitation, as if we were still in the year 1886 or 1893.**

Ask yourselves two questions:

-  **(1.) Do you want the Irish Question settled—for the sake of Ireland, for the sake of Great Britain, for the sake of the Empire?**
-  **(2.) What is it that has changed General Botha from the commander of forces fighting against us, into the Prime Minister of a Loyal and United South Africa?**
-

**Think these Questions out
and you will
VOTE LIBERAL.**

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THE PEOPLE'S BUDGET

The Liberal Budget of 1909 was thrown out by the House of Lords on November 30th, 1909. It was passed in the following year, after the People had declared, at a General Election, that the Veto of the Lords must be curbed, and that never again should it be possible for the Lords to tamper with Finance.

This great Budget made provision for the payment of Old Age Pensions, for a further strengthening of National Defence, and for the development of the unused resources of the country.

It did this without putting one penny more taxation on food,
and without levying any contribution on industry. It taxed the luxuries and superfluities, not the necessities of life.

The principles of taxation upon which this just Budget was framed were (1) that the heaviest burden should be placed on the strongest shoulders ; (2) that those who enjoy the benefits of a paying monopoly conferred upon them by the State should make a fair return to the State for that monopoly ; (3) that the increased value which comes to the landowner as a windfall, without any exertion or expenditure on his part, but created by the community either by municipal expenditure on the development of

a district or the growth of population, should pay its contribution to the needs of the State.

It is most important to remember that the additional taxation of the Budget of 1909, which the Lords threw out, provides the revenue for Old Age Pensions, for strengthening the Navy, and for future reforms, such as Insurance against Unemployment, without putting one penny of tax on the food of the people.

What is the scheme which the Tories want to substitute for the just and wise taxation set up by the Budget of 1909? They want to let off the land in order to tax the workman's loaf. They want to put the burden of new taxation on the man with a weekly wage of 20s. or 30s., instead of on the rich or well-to-do. They want to take out of the pockets of the consumers all over the country twopence or threepence to get into the coffers of the State a single penny.

THE BUDGET OF 1909 IS THE PEOPLE'S BUDGET BECAUSE

- (1) It is fair to all classes ;***
- (2) It taxes wealth, not wages ;***
- (3) It does not tax the food of the people ;***
- (4) It encourages Industry, instead of discouraging it ; and***
- (5) Every penny of its taxes goes into the coffers of the State.***

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TORY WHITEWASH

The present Constitutional crisis is solely and directly due to the deadlock between the two Houses of Parliament. That, in turn, is solely and directly due to the exercise by the Lords of their ABSOLUTE VETO on legislation passed by the Commons, the elected representatives of the People. That is the one and only root of the trouble. The sensible thing to do, as in all cases of disease, is to try to remove the disease by removing its cause. The Liberal cure for this disease of the State is, therefore, to abolish this VETO of the Lords which is its cause. This will prevent such deadlocks, by securing that the Will of the People as expressed by the House of Commons will prevail. Obviously, THIS CURE TOUCHES THE SPOT.

The Tories, on the other hand, put forward "Reform" of the constitution of the House of Lords as the remedy. Liberals agree—none more so—that that constitution needs reform badly. But, just now, they HAVE NO USE FOR IT. It would be NO CURE, for the simple reason that it DOES NOT TOUCH THE SPOT. It is not the Composition of the Lords that is the cause of the present trouble. It is their Powers.

To see that the ABOLITION of the VETO is the first step to be taken, you have only to ask what would happen in the House of Lords to a Bill for its Reform brought in by a Liberal Government. VETO, of course!

So far, too, the Tories, for all their talk, have never "meant business." They have talked of it off and on for years, but all the time they were in power and could have passed any measure of Lords' Reform they liked **they did absolutely nothing at all.**

Any schemes, too, that have been put forward have been the MEREST WHITEWASH. They would leave the House of Lords for all practical purposes as OVERWHELMINGLY TORY as it is now. Parliamentary deadlocks, therefore, would occur just as now. We should be no better off.

Worse, indeed. For the House of Lords, with its most glaring faults removed, would be **stronger**, that more able to destroy the legislation of the People's House than ever!

DO NOT, THEREFORE, BE DECEIVED BY FAIR-SOUNDING TORY TALK ABOUT HOUSE OF LORDS "REFORM." ONE THING AT A TIME, AND THE FIRST THING FIRST.

THE ONE THING AND THE FIRST THING IS THE ABOLITION OF THE LORDS' VETO.

A CRIME



IN ANY COUNTRY

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DOMINION DOLLARS FROM THE

"TEARERS DOWN OF THE CONSTITUTION."

gold in this way, to have the historic institutions of the country destroyed by this free import of American money—this would be the end indeed; and it would be the most ludicrous and shameful end of all."—"Daily Telegraph" November 12.

Canadian Premiers, Ministers and Leaders of Commerce contribute to "the shameful end."

Byron Edmund Walker, D.C.L., LL.D., C.V.O.

President of the Canadian Bank of Commerce, President of the Canadian Bankers' Association, Chairman of the Board of the Governors of Toronto University, member of the Federal Commission to select art works for the National Gallery.

Emmanuel Devlin, K.C., B.A., M.A., B.C.L.

Member of the Dominion Parliament. Lieutenant-Governor of Quebec.

The Honourable A. B. McPhillips.

President of the Council for the Province of British Columbia,

His Honour Denis Murphy.

Judge of the Supreme Court of British Columbia.

Louis Denison Taylor.

Mayor of the City of Vancouver.

Alexander Haggart, LL.B., K.C., M.P.

Member of Dominion Parliament.

"Moderate men of all parties should unite to avert a disaster which will cover England with ignominy and place her immortal destinies in the power, not of the best Americans, but of the worst."—"Daily Mail," November 14.

Are these names among "the worst"?

"Tell it in the counties. Tell it in the boroughs. Rub it in throughout the constituencies. Tell it, we say, in the boroughs, Tell it in the counties. Tell it in Lancashire. Spread it throughout the length and breadth of the land." ["Daily Telegraph," Nov. 12.]

DON'T BE DECEIVED BY TORY NONSENSE ABOUT "AMERICAN DOLLARS."

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TORY SUPPORT FOR PAYMENT OF MEMBERS

MR. F. E. SMITH, M.P., said (in a letter to the Press on September 27th, 1910):—

"It is that the payment of members is the only alternative to the intolerable system which the Osborne judgment has ended. There are many and grave objections to the payment of members, but there is, on the other hand, this overwhelming merit, that it safeguards the independence of Parliament by making the representative the servant of the country, and not that of a caucus or a union. If this change were accompanied by a measure, in itself very reasonable and long overdue, placing the returning officers' charges upon the rates, no burden would be left which it would not be very reasonable for the Socialist Party to raise by voluntary effort."

MR. E. A. GOULDING, M.P., said (September 26th, 1910):—

"In order to remove those disabilities it was important, in his opinion, that they should return to ancient precedent in their own history, and that the State should meet necessary election expenses, and, as in other spheres and in other parts of the Empire, should pay reasonable remuneration for what the whole community recognised as public services."

The **MORNING POST** said (September 9th, 1910):—

"The only complete reply to the charge, based on the Osborne judgment, that the manual workers are debarred from Parliament, would be the payment of members. . . . The payment of members has much to recommend it from the standpoint of national expediency. . . . The question might, however, well have waited for more lengthened discussion if the Osborne decision had not made it of immediate importance in the constituencies. But a definite declaration is now necessary."

The **STANDARD** said (September 12th, 1910):—

"The solution lies in the payment of members of Parliament out of public funds, and—within reasonable and restricted limits—the payment of their election expenses also."

The **GLOBE** said (September 27th, 1910):—

"We heartily welcome the suggestion made by Mr. F. E. Smith. . . . It is for Mr. Balfour to give the party a lead in this great crisis, and his endorsement of the proposal for the payment of members would, in our opinion, go far to save the situation."

**Remember this when you hear other
Tories opposing this
GREAT LIBERAL REFORM.**

MR. ASQUITH'S 3 QUESTIONS

[*The Prime Minister's Speech at the National Liberal Club, Nov. 19th, 1910.*]

The First Question.

We meet here on the eve of a General Election, and my first question is, **Why is Parliament about to be dissolved?** The conduct of the Government in advising dissolution was denounced yesterday in the House of Commons by Mr. Balfour as a breach of all Constitutional precedent. I agree that it is not easy to find a case in which a British Government, enjoying the confidence on all questions of general policy of a large majority of the House of Commons, that House having not yet completed the first year of its Parliamentary existence, has felt itself obliged to advise a Dissolution.

"Circumstances without Example."

But new circumstances demand new precedents, and the circumstances here are without example in our constitutional history. What are the circumstances? No House of Commons ever more clearly represented the emphatically declared will of the people than that which was returned in January, 1906. Yet in almost every attempt which it made to give effect to the wishes of those who elected it, it was systematically thwarted, baffled, defeated by the House of Lords—the body which, then at any rate, claimed a gift of divining the people's will, and the right of compulsory reference over the head of the people's representatives. The climax was reached when for the first time the whole finance of the year, on which the Commons had spent six months of care and toil, was summarily rejected.

"War is Declared."

In the new House of Commons, which was elected in January of this year, there was from the first an assured majority of over 100 in favour of limiting the veto of the Lords. It was by such a majority that the Government resolutions were carried last April. The death of the King on the eve of battle was the signal for a truce, and from June to November the best efforts of the Conference were directed to arriving at an agreed settlement. Those efforts were unavailing, and we are back where we were in April—with this difference: that we must now put aside the method of compromise as a thing which has been tried and has failed. Negotiations are over, and war is declared.

The Election and Trade.

One word as to the date of the Dissolution. Note that Mr. Balfour admitted yesterday in the House of Commons that an election could not be deferred for more than a relatively small number of weeks or months. I commend that admission to the gentlemen on his own side who are clamouring against a Dissolution as a gratuitous and wanton abuse of Executive power. If a General Election is inevitable in the near future, as Mr. Balfour says it is, is it not on every ground desirable to have it now and at

once? We are told that it will interfere with Christmas trade. What should it? The latest of the borough elections ought to be over by December 8—seventeen days before Christmas—and the latest of the counties by a week before Christmas Day. We are satisfied that this is a much better arrangement in the interests of business, as well as a much more satisfactory one in the saving of time and expense, than to repeat the experiment of last year and have an election hovering over our heads all through the Christmas season, with the active fighting deferred until after the commencement of the New Year.

The Second Question.

I come now to my second question: **What are we fighting for** Whatever may have been the case a year ago, the grievances of the party of progress are no longer denied. It is now admitted that under existing conditions Liberal legislation does not get a fair chance. It is admitted that the popular will, though clearly and decisively expressed at the polls, may be frustrated or delayed by a body which has no representative authority. It is admitted tacitly, if not expressly, that it is only when the Liberal Party is in power that the House of Lords claims or exercises its supposed right to compel a Dissolution. We have, you see, made some progress in this controversy, after all. This state of things, with its unevenness, its injustice, its deliberate and mischievous distortions of the first principles of democracy—this state of things we are determined to bring to an end once and for all. When, then, I am asked what we are fighting for, I answer: For two things—fair play for progressive legislation and for the establishment in all its fulness of representative government.

The Single Chamber Bogy.

We are told that the plans which we have put forward, and the present House of Commons has approved, would substitute for the evils of the present system a greater evil still—the unchecked domination of a Single Chamber. It is this prospect which fills Lord Rosebery with repugnance and even with horror. To his imagination it would mark the transition from freedom to slavery. But surely Lord Rosebery and those who share his apprehensions must be aware that during a large part of their political existence—probably the larger part—they have been living under this very yoke of the Single-Chamber tyranny. They have only to go back to the years between 1895 to 1906 to witness the spectacle of a House of Commons passing measures which had never been submitted to the electorate, and which at the first opportunity that same electorate repudiated with unexampled emphasis, and passing these measures into law without check, delay or even remonstrance from the Second Chamber, whose supreme duty is by some persons supposed to be to safeguard the people from the domination of their elected representatives.

The Government Proposals.

But we are not proposing to set up a Single-Chamber system. We are proposing such a change in the relations between the two Chambers as will confine the Second Chamber to those subordinate functions which are admittedly appropriate to such a body, and will secure the fair and even working of the two Chambers, whichever party is for the time being in power. The principle upon which we take our stand is that in a democratic country the chosen representatives of the people ought to have the controlling voice not only in policy, but in the shaping of the laws. We have carefully guarded against possible abuses. By shortening the duration of Parliament

we bring automatically to an end any House of Commons as to which there is any presumption that it may have outstayed or outlived its representative authority. Where the two Houses differ we provide for such opportunities of conference and such an interposition of delay as would effectually frustrate any attempt to rush unpopular legislation by a scratch majority out of touch with public opinion. We except from the new arrangement legislation which is introduced in the later years of a Parliament until the electorate have had an opportunity of pronouncing upon it.

"Nothing Revolutionary."

It is subject to all these safeguards, which prevent any House of Commons that might be so minded from stealing a march on the people, and secure to the Second Chamber large powers of delay and opportunities for amendment and revision—it is subject to these safeguards that we ask that in future the will of the people as expressed by their representatives in the House of Commons shall within the lifetime of a single Parliament, be effectively supreme. There is nothing revolutionary in these proposals. On the contrary, they proceed strictly on the lines which our constitutional development has hitherto followed, and secure to the people through and in the House of Commons the same supreme authority over the making of the laws which they have already, step by step and stage by stage, acquired in the appointment of the Executive and the control of finance.

The Third Question.

I proceed now to my third and last question: **What are we fighting against?** This is a much more difficult question to answer. A year ago the House of Lords was depicted on Tory platforms as the ark of the Constitutional covenant—the chief defence, nay, the last refuge, of our popular liberties. It had just, by a supreme display of patriotic courage, rejected, root and branch, the most iniquitous and unpopular Budget of modern times; and, with these blushing honours thick upon it, it made a confident appeal to the gratitude and admiration of its fellow-countrymen.

The "Parricidal Pickaxes."

Ah gentlemen, what a change eleven short months have wrought! This ancient and picturesque structure has been condemned by its own inmates as unsafe. The parricidal pickaxes are already at work, and constitutional jerry-builders are hurrying from every quarter with new plans. Dr. Johnson once said of a celebrated criminal, who after his condemnation showed literary activity, "Depend upon it, sir, when a man is going to be hanged in a fortnight it concentrates his mind wonderfully." The activity recently displayed by the House of Lords in providing itself with a successor is surely a miracle of this kind of mental concentration. In a single sitting, not unduly prolonged, the venerable institution which has withstood the storm and stress of ages was transformed—in principle, of course; some of the details are still withheld—into a brand-new modern Senate. There has been nothing like it since the memorable night of August 4th, 1789. The motive for this feverish exhibition of destructive and constructive ardour is not far to seek. The Tory party were determined at all hazards not to face another General Election with the incubus of the House of Lords on their back. There must be something to put in its place, something—it did not matter for the moment very much what—but something that could be called a Second Chamber, with a coat, however thin, of democratic varnish.

Lord Rosebery's "Ghost."

And this is how it comes about that the country is suddenly faced with an alternative policy to ours in Lord Rosebery's Resolutions. This remember is the scheme, and the only scheme, which has been approved with practical unanimity by the House of Lords itself. And what is this new Second Chamber which is presented to the country as the real solution of our constitutional difficulties? It is a nebulous body of uncertain size composed in undefined proportions of hereditary peers, of official and qualified peers, and of peers "chosen," not necessarily elected, but "chosen"—chosen by somebody, somewhere, somehow. I said a moment ago that some of the details are lacking, and the authors of this ingenuous proposal seem to think it unreasonable that at this stage they should be called on for fuller particulars. They expect the country to vote for what is to all intent and purposes a ghost. But it is on these very particulars that the merits or demerits of the scheme depend. According as they are filled in one way or the other, your new Second Chamber may be better than, or as bad as, or even worse than, the existing House of Lords. In the meantime it is no answer to our demand for an immediate and effectual removal of the obstacle that blocks the road of progress to say that, in course of time, it may be found possible to evolve a Second Chamber better fitted than the House of Lords to exercise the true functions of such a body. I have always hoped and thought that it would.

"The Only Plan before the Country."

But I have got to deal—you have got to deal—the country has got to deal—with things here and now. We need an instrument that can be set to work at once, which will get rid of deadlocks and give us the fair and even chance in legislation to which we are entitled, and which is all that we demand. The plan of the Government will do so, and it is the only plan before the country which even pretends to meet the urgent necessities of the case. To us as a party constitutional changes are but the means to further and greater ends. We have before us great ideals in the social and economic sphere—ideals toward the realisation of which we have made some progress during the last five years, mainly because of the financial omnipotence of the Lower House; but we find ourselves hampered at every stage on the road by the over-riding powers of a Chamber overwhelmingly Tory in composition and the natural champion of threatened interests and privileges.

"For the Real Enfranchisement of the People."

These great causes of which we are trustees cannot afford to go on waiting. It is for their sake that we are bringing the matter to an issue. We ask, gentlemen, for your confidence and for that of the party outside. We have passed through a troubled year, in which we have had to encounter difficulties and perils exceptional in number and degree, and some of them wholly unforeseen. We believe that, nevertheless, the party is stronger now, both inside the House of Commons and in the country, than it was eleven months ago. **Give us your confidence once more, and with united forces and disciplined energy we shall make the longest step that has been taken in the lifetime of any of us for the real enfranchisement of the people.**

TORIES and PENSIONS.

When the Old Age Pensions Act was passed in 1908, no person who had received any poor relief was allowed to have them. This was simply and solely because to give such persons pensions would have meant a very much larger cost, and there was not sufficient money. But **the Liberal Government agreed that it should be put in the Act that this disqualification should only last till December 31st, 1910.** The Government have now found the extra money needed, and on and after next New Year's Day all who have received poor relief will be entitled to pensions.

Did the Tories want the disqualification to end on December 31st next? NO!

(1) In the Commons **Mr. Balfour** (on July 7th, 1908), **voted AGAINST** these poor old people getting pensions from next New Year's Day.

(2) In the Lords, **Lord St. Aldwyn, a Tory ex-Chancellor of the Exchequer** (on July 28th, 1908), **proposed that these poor old people should NOT get pensions in 1911, and the Lords agreed.** Fortunately, Lord St. Aldwyn's proposal came to nothing—when the Bill went back to the Commons, the Speaker ruled it out of order as a breach of the Commons' privileges.

If Mr. Balfour and the Peers had had their way these poor old people would NOT be able to claim Pensions on New Year's Day. THANKS TO THE LIBERALS, THEY WILL.

LORD ROSEBERY

ON

THE PEERS' VETO

In 1894 the House of Lords question was to the front just as now, and for the same reason—there was a Liberal Government in office and the Lords were destroying their measures. In that year Lord Rosebery, when Liberal Prime Minister, made two great speeches against the Lords—at Bradford (on October 27th) and Devonport (on December 11th) from which we give some passages.

“The issue at the next election will simply be this: **Will you be governed by the House of Lords, or will you be governed by yourselves?** So long as the House of Lords has an equal and concurrent right of legislation with the House of Commons, so long will the House of Lords, as a permanent, unchangeable, irrevocable body, exercise an undue control over the House of Commons, which is an elected body.”

* * * * *

“The time has come when the right of the House of Lords to oppose an absolute veto on the wishes or the legislation of the House of Commons should for ever cease. . . . I beg you to remember this and to keep this in your minds, that our object is a perfectly direct one and a perfectly simple one. It is **to secure the predominance of the elected House over the hereditary House—of your voice, in fact over the voice of the Peers.** That issue is simple and plain enough. I implore you to keep your eye fixed on that simple proposition, and not to allow yourselves to be diverted from it. Every attempt will be made to cloud that question and distract your attention from it.”

* * * * *

“We boast of our free institutions. We swell as we walk abroad and see other countries—we make broad the phylacteries of freedom on our foreheads. We thank God that we are not as other less favoured men; and all the time we endure this

mockery of freedom. **You are bound hand and foot. You may vote and vote until you are black in the face. It will not change the face of matters at all. The House of Lords still will control at its will the measures of your representatives."**

* * * *

"In my judgment, the House of Lords is not a Second Chamber at all. I will not say it is a Tory caucus, because that might be considered an offensive expression, and, moreover, a caucus is a temporary body. But I will say this, that it is a permanent party organisation, controlled for party purposes and by party managers."

* * * *

"But we are told the Peers never definitely resist the will of the people. I want to know how the wishes of the people can be better expressed than through the representatives of the people. . . . Tory legislation is to descend like the blessed rain from heaven. Ours is only to come in wind, and rain; and snow, and vapour. . . . So the result must be that if we are never to be allowed to carry any measure without threat of thunder and lightning, or evoking the fell spirits of the storm to convince the Lords that the nation is in earnest, then our legislation will always be troublous and unpeaceful, and the only way to get legislation quietly passed is to confide it to the Tory and Unionist party. I only allude to this to show what the real danger is of the House of Lords from a constitutional point of view. It invites unrest; it invites agitation; and in certain cases the cup may boil over, and it might invite revolution. And I repeat that **this is a great national question, and it is a great national danger."**

What Lord Rosebery said about the Lords in 1894 is as true to-day as it was then. But their conduct in 1895-1905 in passing all the Tory Government's measures, and in 1906-9 in destroying many of the Liberal Government's chief measures, and above all, their rejection of the Budget, has made the LIBERAL CASE AGAINST THE LORDS INFINITELY STRONGER.

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CHIMP



THE DEAR LITTLE LORD :-

**“IF I MUST BE SMACKED
LET ME SMACK MYSELF”**

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